

Matzikama

MUNICIPALITY



UNAUDITED ANNUAL FINANCIAL STATEMENTS

30 JUNE 2015

MATZIKAMA MUNICIPALITY

Index

Contents

General Information	1
Approval of the Financial Statements	2
Report of the Auditor General	
Statement of Financial Position	3
Statement of Financial Performance	4
Statement of Changes In Net Assets	5
Cash Flow Statement	6
Statement of Budget Comparison - Statement of Financial Position	7 - 8
Statement of Budget Comparison- Statement of Financial Performance	9 - 10
Statement of Budget Comparison - Cash Flow Statement	11 - 12
Accounting Policies	13 - 45
Notes to the Financial Statements	46 - 73

APPENDICES - Unaudited

A	Schedule of External Loans	74
B	Disclosure of Grants and Subsidies In Terms of Section 123 of MFMA, 56 of 2003	75
C	National Treasury Appropriation Statements	
	Revenue and Expenditure (Standard Classification)	76
	Revenue and Expenditure (Municipal Vote Classification)	77
	Revenue and Expenditure (Expenditure by type and Revenue by source)	78
	Capital Expenditure by Vote, Standard classification and Funding	79
	Cash Flows	80

MATZIKAMA MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

GENERAL INFORMATION

NATURE OF BUSINESS

Matzikama Municipality is a local municipality performing the functions as set out in the Constitution of the Republic of South Africa.

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998) and are classified as a medium capacity municipality.

JURISDICTION

The Matzikama Municipality includes the following areas:

*Vredendal
Vanrhynsdorp
Klawer
Koekenaap
Lutzville
Ebenhaezer
Strandfontein
Doringbaai
Bitterfontein
Nuwerus
Stofkraal
Molsvlei
Rietpoort
Kliprand*

MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	<i>PG BOK</i>
Deputy Executive Mayor	<i>DS GOEDEMAN (Up to 1 May 2015)</i>
Executive Councillor	<i>F BAM</i>
Executive Councillor	<i>J BOTHA</i>
Executive Councillor	<i>MC WITBOOI</i>
Speaker	<i>WH NELL</i>
Councillor	<i>C VAN DER WESTRUIS</i>
Councillor	<i>R STEPHAN</i>
Councillor	<i>Y CLOETE</i>
Councillor	<i>A SINDYAMBA</i>
Councillor	<i>AGM JULIES</i>
Councillor	<i>B JULIES</i>
Councillor	<i>EL MQINGQI</i>
Councillor	<i>W FORTUIN</i>
Councillor	<i>MJ SMITH</i>

ACTING MUNICIPAL MANAGER

R F SAUL

CHIEF FINANCIAL OFFICER

M A C BOLTON

REGISTERED OFFICE

37 Church Street, Vredendal, 8160

AUDITORS

Auditor-General, Private Bag X1, Chempet, 7442

PRINCIPLE BANKERS

ABSA Bank

ATTORNEYS

*Swanepoel and Swanepoel Prokureurs
Le Roux en Van der Westhuizen Prokureurs
Bradley Conradie Prokureurs
WeberWentzel Prokureurs*

RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)
Division of Revenue Act
The Income Tax Act
Value Added Tax Act
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Planning and Performance Management Regulations
Water Services Act (Act no 108 of 1997)
Housing Act (Act no 107 of 1997)
Municipal Property Rates Act (Act no 6 of 2004)
Electricity Act (Act no 41 of 1987)
Skills Development Levies Act (Act no 9 of 1999)
Employment Equity Act (Act no 55 of 1998)
Unemployment Insurance Act (Act no 30 of 1966)
Basic Conditions of Employment Act (Act no 75 of 1997)
Supply Chain Management Regulations, 2005
Collective Agreements
Infrastructure Grants
SALGC

MATZIKAMA MUNICIPALITY

MEMBERS OF THE MATZIKAMA MUNICIPALITY

COUNCILLORS

1	F BAM
2	DS GOEDEMAN (up to 1 May 2015)
3	EL MQINGQI
4	PG BOK
5	R STEPHAN
6	B JULIES
7	A SINDYAMBA
8	C VAN DER WESTRUIS
Proportional	WH NELL
Proportional	MC WITBOOI
Proportional	Y CLOETE
Proportional	AGM JULIES
Proportional	J BOTHA
Proportional	MJ SMITH
Proportional	W FORTUIN

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2015, which are set out on pages 1 to 73 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2016 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and approved by council in concurrence with the MEC for Local Government in the province.

R F SAUL
Acting Municipal Manager

Date

MATZIKAMA MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

	Notes	2015 R	Restated 2014 R
NET ASSETS AND LIABILITIES			
Net Assets		422 341 444	377 367 643
Accumulated Surplus/(Deficit)		417 731 444	377 367 643
Capital Replacement Reserve	1	4 610 000	-
Non-Current Liabilities		102 515 782	94 916 064
Long-term Liabilities	2	30 222 810	34 528 602
Employee benefits	3	28 322 936	24 235 686
Non-Current Provisions	4	43 970 037	36 151 776
Current Liabilities		41 526 689	44 900 688
Consumer Deposits	5	3 955 367	3 085 973
Current Employee benefits	6	7 964 543	7 400 788
Payables from exchange transactions	7	23 856 489	20 814 586
Unspent Conditional Government Grants and Receipts	8	1 458 883	6 338 933
Taxes	9	-	497 167
Current Portion of Long-term Liabilities	2	4 291 407	6 013 185
Cash and Cash Equivalents	18	-	750 056
Total Net Assets and Liabilities		566 383 915	517 184 396
ASSETS			
Non-Current Assets		538 607 752	498 933 185
Property, Plant and Equipment	10	472 109 257	435 970 657
Investment Property	11	65 969 831	62 378 400
Intangible Assets	12	373 995	424 160
Long-Term Receivables	13	154 669	159 969
Current Assets		27 776 163	18 251 211
Inventory	14	424 565	411 211
Receivables from exchange transactions	15	12 247 335	10 713 040
Receivables from non-exchange transactions	16	3 658 770	3 287 875
Taxes	9	302 766	-
Operating Lease Asset	17	27 147	34 401
Current Portion of Long-term Receivables	13	382 632	355 785
Cash and Cash Equivalents	18	10 732 948	3 448 899
Total Assets		566 383 915	517 184 396

MATZIKAMA MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 R	Restated 2014 R	Correction of error R	Previously reported 2014 R
REVENUE					
Revenue from Non-exchange Transactions		127 687 136	106 503 793	(168 771)	106 672 564
Taxation Revenue		32 573 584	28 858 184	(493 151)	29 351 335
Property taxes	19	32 573 584	28 858 184	(493 151)	29 351 335
Transfer Revenue		75 891 800	72 592 936	-	72 592 936
Government Grants and Subsidies - Capital	20	26 251 432	27 593 336	-	27 593 336
Government Grants and Subsidies - Operating	20	49 640 368	44 999 600	-	44 999 600
Other Revenue		19 221 752	5 052 672	324 380	4 728 292
Actuarial Gains	3	67 468	-	-	-
Contribution Property Plant and Equipment	23	11 937 431	-	-	-
Fair Value adjustments	24	3 591 431	3 318 824	324 380	2 994 444
Fines	26	3 565 641	1 710 830	-	1 710 830
Reversal of Impairment Loss	31	59 781	23 019	-	23 019
Revenue from Exchange Transactions		143 291 391	121 087 854	312 631	120 775 223
Service Charges	21	128 030 790	109 406 691	493 151	108 913 540
Rental of Facilities and Equipment	25	3 341 566	2 626 345	-	2 626 345
Interest Earned - external investments		939 430	231 240	-	231 240
Interest Earned - outstanding debtors		2 396 192	2 074 946	-	2 074 946
Licenses and Permits		1 124 577	1 066 966	-	1 066 966
Agency Services		2 416 863	2 073 785	-	2 073 785
Other Income	22	5 041 973	2 828 705	-	2 828 705
Gain on disposal of Property, Plant and Equipment		-	779 177	(180 520)	959 697
Total Revenue		270 978 527	227 591 647	143 860	227 447 787
EXPENDITURE					
Employee related costs	27	81 364 241	74 334 478	23 916	74 310 562
Remuneration of Councillors	28	5 642 312	5 301 393	-	5 301 393
Debt Impairment	29	10 764 139	8 993 754	3 844 391	5 149 364
Collection Costs		134 146	121 567	-	121 567
Depreciation and Amortisation	30	11 335 691	8 883 023	(2 637 568)	11 520 591
Finance Charges	32	7 897 532	7 663 069	-	7 663 069
Repairs and Maintenance	33	8 227 616	8 026 133	(3 746 202)	11 772 335
Actuarial losses	3	1 881 691	970 426	-	970 426
Bulk Purchases	34	73 818 846	66 828 936	-	66 828 936
Contracted services	35	4 565	70 440	(2 240 085)	2 310 525
Grants and Subsidies	36	928 229	880 051	-	880 051
General Expenses	37	23 789 488	20 794 536	5 986 287	14 808 249
Loss on disposal of Property, Plant and Equipment		216 229	606 033	(1 883)	607 916
Total Expenditure		226 004 726	203 473 840	1 228 856	202 244 984
NET SURPLUS FOR THE YEAR		44 973 801	24 117 806	(1 084 996)	25 202 803

MATZIKAMA MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2015

	Capital Replacement Reserve R	Revaluation Reserve R	Accumulated Surplus R	Total R
Balance at 1 July 2013	-	-	338 631 847	338 631 847
Correction of error note	-	-	13 608 592	13 608 592
Restated Balance at 30 JUNE 2013	-	-	352 240 439	352 240 439
Net Surplus for the year	-	-	24 117 804	24 117 804
Transfer to / (from) CRR	1 171 425	-	(1 171 425)	-
Revaluation reserve of Property, Plant and Equipment	-	1 009 400	-	1 009 400
Transfer to Accumulated Surplus	-	(1 009 400)	1 009 400	-
Property, Plant and Equipment purchased	(1 171 425)	-	1 171 425	-
Restated Balance at 30 JUNE 2014	-	-	377 367 643	377 367 643
Net Surplus for the year	-	-	44 973 801	44 973 801
Transfer to / (from) CRR	4 610 000	-	(4 610 000)	-
Balance at 30 JUNE 2015	4 610 000	-	417 731 444	422 341 444

MATZIKAMA MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 R	Restated 2014 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other		160 142 008	140 598 849
Government Grants		71 011 751	77 432 976
Interest		3 335 622	2 306 186
Payments			
Suppliers and employees		(189 297 640)	(184 835 213)
Transfers and Grants		(928 229)	(880 051)
Finance charges		(3 822 015)	(4 173 296)
Net Cash from Operating Activities	39	40 441 496	30 449 451
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(27 799 798)	(26 968 365)
Proceeds on Disposal of Fixed Assets		-	2 301 102
Decrease in Long-term Receivables		550 583	798 320
Net Cash from Investing Activities		(27 249 215)	(23 868 944)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Long-term Liabilities		(6 027 570)	(6 465 007)
Increase in Consumer Deposits		869 394	264 587
Net Cash from Financing Activities		(5 158 176)	(6 200 420)
NET INCREASE IN CASH AND CASH EQUIVALENTS		8 034 105	380 087
Cash and Cash Equivalents at the beginning of the year		2 698 843	2 318 756
Cash and Cash Equivalents at the end of the year	40	10 732 948	2 698 843
NET INCREASE IN CASH AND CASH EQUIVALENTS		8 034 105	380 087

MATZIKAMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

COMPARISON OF ACTUAL FIGURES TO THE FINAL BUDGET
(BUDGET ON ACCRUAL BASIS)

	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)
ASSETS			
Current assets			
Cash	10 732 948	1 803 656	8 929 291
Call investment deposits			-
Consumer debtors	15 906 105	25 552 034	(9 645 929)
Other Receivables	329 913	34 401	295 512
Current portion of long-term receivables	382 632	355 785	26 848
Inventory	424 565	502 482	(77 917)
Total current assets	27 776 163	28 248 358	(472 195)
Non current assets			
Long-term receivables	154 669	159 969	(5 300)
Investments	-		-
Investment property	65 969 831	60 275 150	5 694 681
Property, plant and equipment	472 109 257	439 798 981	32 310 275
Biological Assets	-		-
Intangible Assets	373 995	424 160	(50 164)
Heritage Assets	-		-
Total non current assets	538 607 752	500 658 260	37 949 492
TOTAL ASSETS	566 383 915	528 906 618	37 477 297
LIABILITIES			
Current liabilities			
Bank overdraft	-	-	-
Borrowing	4 291 407	6 013 185	(1 721 777)
Consumer deposits	3 955 367	3 271 131	684 236
Trade and other payables	25 315 372	18 358 979	6 956 392
Provisions and Employee Benefits	7 964 543	7 844 835	119 708
Total current liabilities	41 526 689	35 488 131	6 038 558
Non current liabilities			
Borrowing	30 222 810	28 515 418	1 707 392
Non-Current Provisions and Employee Benefits	72 292 972	74 190 390	(1 897 418)
Total non current liabilities	102 515 782	102 705 808	(190 026)
TOTAL LIABILITIES	144 042 471	138 193 939	5 848 532
NET ASSETS	422 341 444	390 712 680	31 628 765
COMMUNITY WEALTH			
Accumulated Surplus/(Deficit)	417 731 444	389 703 280	28 028 165
Reserves	4 610 000	1 009 400	3 600 600
TOTAL COMMUNITY WEALTH/EQUITY	422 341 444	390 712 680	31 628 765

EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 54

MATZIKAMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2015

ADJUSTMENTS TO APPROVED BUDGET
(BUDGET ON ACCRUAL BASIS)

	2015 R (Approved Budget)	2015 R (Adjustments)	2015 R (Final Budget)
ASSETS			
Current assets			
Cash	4 980 467	(3 176 811)	1 803 656
Call investment deposits	-	-	-
Consumer debtors	26 428 156	(876 122)	25 552 034
Other Receivables	1 874 556	(1 840 154)	34 401
Current portion of long-term receivables	-	355 785	355 785
Inventory	1 800 000	(1 297 518)	502 482
Total current assets	35 083 179	(6 834 820)	28 248 358
Non current assets			
Long-term receivables	-	159 969	159 969
Investments	-	-	-
Investment property	55 085 250	5 189 900	60 275 150
Property, plant and equipment	439 797 547	1 435	439 798 981
Biological Assets	-	-	-
Intangible Assets	1 002 177	(578 017)	424 160
Heritage Assets	-	-	-
Total non current assets	495 884 973	4 773 287	500 658 260
TOTAL ASSETS	530 968 152	(2 061 534)	528 906 618
LIABILITIES			
Current liabilities			
Bank overdraft	-	-	-
Borrowing	4 457 524	1 555 660	6 013 185
Consumer deposits	3 176 091	95 041	3 271 131
Trade and other payables	29 971 769	(11 612 790)	18 358 979
Provisions and Employee Benefits	7 654 616	190 219	7 844 835
Total current liabilities	45 260 000	(9 771 870)	35 488 131
Non current liabilities			
Borrowing	28 159 845	355 572	28 515 418
Non-Current Provisions and Employee Benefits	65 684 964	8 505 427	74 190 390
Total non current liabilities	93 844 809	8 860 999	102 705 808
TOTAL LIABILITIES	139 104 809	(910 871)	138 193 939
NET ASSETS	391 863 343	(1 150 663)	390 712 680
COMMUNITY WEALTH			
Accumulated Surplus/(Deficit)	388 996 343	706 937	389 703 280
Reserves	2 867 000	(1 857 600)	1 009 400
TOTAL COMMUNITY WEALTH/EQUITY	391 863 343	(1 150 663)	390 712 680

EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 54

MATZIKAMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

COMPARISON OF ACTUAL FIGURES TO ADJUSTMENT BUDGET
(BUDGET ON ACCRUAL BASIS)

	2015 R (Actual)	2015 R (Adjustment Budget)	2015 R (Variance)
REVENUE BY SOURCE			
Property rates	(32 573 584)	(34 071 184)	1 497 600
Property rates - penalties & collection charges		-	-
Service charges	(128 030 790)	(126 022 731)	(2 008 059)
Rental of facilities and equipment	(3 341 566)	(4 109 644)	768 078
Interest earned - external investments	(939 430)	(500 000)	(439 430)
Interest earned - outstanding debtors	(2 396 192)	(1 973 863)	(422 329)
Dividends received		-	-
Fines	(3 565 641)	(2 144 500)	(1 421 141)
Licences and permits	(1 124 577)	(1 681 570)	556 993
Agency services	(2 416 863)	(2 200 000)	(216 863)
Government Grants and Subsidies - Operating	(49 640 368)	(50 326 847)	686 479
Other income	(20 698 085)	(2 790 021)	(17 908 064)
Gain on disposal of Property, Plant and Equipment	-	(7 500 000)	7 500 000
Total Operating Revenue	(244 727 095)	(233 320 360)	(11 406 735)
EXPENDITURE BY TYPE			
Employee Related Costs	81 364 241	83 129 888	(1 765 647)
Remuneration of councillors	5 642 312	5 756 447	(114 135)
Debt impairment	10 764 139	12 660 000	(1 895 861)
Depreciation and Amortisation	11 335 691	11 771 682	(435 991)
Finance charges	7 897 532	7 936 800	(39 268)
Bulk purchases	73 818 846	72 664 818	1 154 028
Contracted services	4 565	110 000	(105 435)
Grants and Subsidies	928 229	936 520	(8 291)
General Expenses	34 032 941	39 346 738	(5 313 797)
Loss on disposal of Property, Plant and Equipment	216 229	-	216 229
Total Operating Expenditure	226 004 726	234 312 893	-8 308 167
Operating (Surplus)/Deficit for the year	(18 722 369)	992 533	(19 714 902)
Government Grants and Subsidies - Capital	(26 251 432)	(26 861 165)	609 733
Net (Surplus)/Deficit for the year	(44 973 801)	(25 868 632)	(19 105 169)

EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 54

MATZIKAMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2015

ADJUSTMENTS TO APPROVED BUDGET
(BUDGET ON ACCRUAL BASIS)

	2015 R (Approved Budget)	2015 R (Adjustments)	2015 R (Final Budget)
REVENUE BY SOURCE			
Property rates	(31 210 077)	(2 861 107)	(34 071 184)
Property rates - penalties & collection charges		-	-
Service charges	(118 499 054)	(7 523 677)	(126 022 731)
Rental of facilities and equipment	(4 007 994)	(101 650)	(4 109 644)
Interest earned - external investments	(190 000)	(310 000)	(500 000)
Interest earned - outstanding debtors	(1 973 863)	(0)	(1 973 863)
Dividends received	-	-	-
Fines	(1 527 500)	(617 000)	(2 144 500)
Licenses and permits	(1 680 650)	(920)	(1 681 570)
Agency services	(2 000 000)	(200 000)	(2 200 000)
Government Grants and Subsidies - Operating	(56 870 000)	6 543 153	(50 326 847)
Other revenue	(2 308 865)	(481 156)	(2 790 021)
Gains on disposal of PPE	(7 500 000)	-	(7 500 000)
Total Operating Revenue	(227 768 003)	(5 552 357)	-233 320 360
EXPENDITURE BY TYPE			
Employee related costs	81 979 770	1 150 118	83 129 888
Remuneration of councillors	5 756 447	0	5 756 447
Debt impairment	6 000 000	6 660 000	12 660 000
Depreciation & asset impairment	13 071 681	(1 299 999)	11 771 682
Finance charges	7 381 800	555 000	7 936 800
Bulk purchases	69 964 818	2 700 000	72 664 818
Contracted services	110 000	-	110 000
Grants and subsidies paid	936 520	-	936 520
Other expenditure	41 556 010	(2 209 272)	39 346 738
Loss on disposal of PPE	-	-	-
Total Operating Expenditure	226 757 046	7 555 848	234 312 893
Operating (Surplus)/Deficit for the year	(1 010 957)	2 003 490	992 533
Government Grants and Subsidies - Capital	(23 853 000)	(3 008 165)	(26 861 165)
Net (Surplus)/Deficit for the year	(24 863 957)	(1 004 675)	(25 868 632)

EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 54

MATZIKAMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET
(BUDGET ON ACCRUAL BASIS)

	2015 R (Actual)	2015 R (Final Budget)	2015 R (Variance)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other	160 142 008	158 328 758	1 813 250
Government - operating	44 760 319	50 326 847	(5 566 528)
Government - capital	26 251 432	26 861 165	(609 733)
Interest	3 335 622	500 000	2 835 622
Dividends	-	-	-
Payments			
Suppliers and Employees	(189 297 640)	(201 502 282)	12 204 642
Finance charges	(3 822 015)	(3 786 800)	(35 215)
Transfers and Grants	(928 229)	(936 520)	8 291
NET CASH FROM/(USED) OPERATING ACTIVITIES	40 441 496	29 791 168	10 650 328
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of Assets	-	7 500 000	(7 500 000)
Decrease (Increase) in non-current debtors	550 583	-	550 583
Decrease/(increase) in non-current receivables	-	-	-
Decrease/(increase) in non-current investments	-	-	-
Payments			
Capital assets	(27 799 798)	(32 358 326)	4 558 528
NET CASH FROM/(USED) INVESTING ACTIVITIES	(27 249 215)	(24 858 326)	(2 390 889)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Borrowing	-	-	-
Increase/(decrease) in consumer deposits	869 394	185 158	684 236
Payments			
Repayment of borrowing	(6 027 570)	(6 013 185)	(14 385)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(5 158 176)	(5 828 026)	669 850
NET INCREASE/(DECREASE) IN CASH HELD	8 034 105	(895 184)	8 929 289
Cash and Cash Equivalents at the beginning of the year	2 698 843	2 698 842	0
Cash and Cash Equivalents at the end of the year	10 732 948	1 803 658	8 929 289

EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 54

MATZIKAMA MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

ADJUSTMENTS TO APPROVED BUDGET
(BUDGET ON ACCRUAL BASIS)

	2015 R (Approved Budget)	2015 R (Adjustments)	2015 R (Final Budget)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and other	154 260 299	4 068 459	158 328 758
Government - operating	56 785 000	(6 458 153)	50 326 847
Government - capital	23 853 000	3 008 165	26 861 165
Interest	190 000	310 000	500 000
Dividends			
Payments			
Suppliers and Employees	(196 996 312)	(4 505 971)	(201 502 282)
Finance charges	(7 381 800)	3 595 000	(3 786 800)
Transfers and Grants	(936 520)	-	(936 520)
NET CASH FROM/(USED) OPERATING ACTIVITIES	<u>29 773 668</u>	<u>17 501</u>	<u>29 791 168</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of Assets	7 500 000	-	7 500 000
Decrease (Increase) in non-current debtors	-	-	-
Decrease/(increase) in non-current receivables	636 520	(636 520)	-
Decrease/(increase) in non-current investments	-	-	-
Payments			
Capital assets	(27 679 975)	(4 678 351)	(32 358 326)
NET CASH FROM/(USED) FINANCING ACTIVITIES	<u>(19 543 455)</u>	<u>(5 314 871)</u>	<u>(24 858 326)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts			
Borrowing	-	-	-
Increase/(decrease) in consumer deposits	185 421	(263)	185 158
Payments			
Repayment of borrowing	(8 389 424)	2 376 240	(6 013 185)
NET CASH FROM/(USED) FINANCING ACTIVITIES	<u>(8 204 003)</u>	<u>2 375 977</u>	<u>(5 828 026)</u>
NET INCREASE/(DECREASE) IN CASH HELD	2 026 210	(2 921 394)	(895 184)
Cash and Cash Equivalents at the beginning of the year	2 954 257	(255 415)	2 698 842
Cash and Cash Equivalents at the end of the year	4 980 467	(3 176 809)	1 803 658

EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 54

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R		
1	NET ASSET RESERVES				
	Capital Replacement Reserve	4 610 000	-		
	Total Net Asset Reserves	4 610 000	-		
2	LONG-TERM LIABILITIES				
	Annuity Loans - At amortised cost	34 514 217	40 541 787		
	Current Portion transferred to Current Liabilities	(4 291 407)	(6 013 185)		
	Total Long-term Liabilities - At amortised cost using the effective interest rate method	30 222 810	34 528 602		
	Refer below for maturity dates of long term liabilities:				
	The obligations under annuity loans are scheduled below:				
		Minimum annuity payments			
	Amounts payable under annuity loans:				
	Payable within one year	7 736 463	9 788 445		
	Payable within two to five years	28 155 851	32 901 228		
	Payable after five years	18 267 760	20 986 499		
		54 160 074	63 676 172		
	Less: Future finance obligations	(19 645 857)	(23 134 385)		
	Present value of annuity obligations	34 514 217	40 541 787		
	Annuity loans at amortised cost is calculated at a interest rate of between 5.70% and 11.14%, with first maturity date of 30 June 2015 and last maturity date of 30 June 2027.				
3	EMPLOYEE BENEFITS				
	Post Retirement Benefits - note 3.1	23 871 670	20 242 992		
	Long Service Awards - note 3.2	4 451 266	3 992 694		
	Total Non-current Employee Benefit Liabilities	28 322 936	24 235 686		
	<u>Post Retirement Benefits</u>				
	Balance 1 July	21 053 220	18 619 976		
	Contribution for the year	1 002 877	876 703		
	Interest Cost	1 835 454	1 560 087		
	Expenditure for the year	(925 348)	(784 930)		
	Actuarial Loss / (Gain)	1 881 691	781 384		
	Total post retirement benefits 30 June	24 847 894	21 053 220		
	Less: Transfer of Current Provision - note 6	(976 224)	(810 228)		
	Balance 30 June	23 871 670	20 242 992		
	<u>Long Service Awards</u>				
	Balance 1 July	4 426 598	3 708 407		
	Contribution for the year	396 840	460 253		
	Interest Cost	346 304	275 707		
	Expenditure for the year	(406 797)	(206 811)		
	Actuarial Loss/(Gain)	(67 468)	189 042		
	Total long service 30 June	4 695 477	4 426 598		
	Less: Transfer of Current Provision - note 6	(244 211)	(433 904)		
	Balance 30 June	4 451 266	3 992 694		
	<u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u>				
	Balance 1 July	25 479 818	22 328 383		
	Contribution for the year	1 399 717	1 336 956		
	Interest cost	2 181 758	1 835 794		
	Expenditure for the year	(1 332 145)	(991 741)		
	Actuarial Loss/(Gain)	1 814 223	970 426		
	Total employee benefits 30 June	29 543 371	25 479 818		
	Less: Transfer of Current Provision - note 6	(1 220 435)	(1 244 132)		
	Balance 30 June	28 322 936	24 235 686		
3.1	Post Retirement Benefits	2015 Employees	2014 Employees		
	The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:				
	In-service (employee) members	110	103		
	In-service (employee) non-members	74	85		
	Continuation members (e.g. Retirees, widows, orphans)	30	28		
	Total Members	214	216		
		2015 R	2014 R	2013 R	2012 R
	The liability in respect of past service has been estimated to be as follows:				
	In-service members	9 216 529	7 561 057	6 115 102	5 207 499
	In-service non-members	2 482 585	2 794 297	2 041 224	2 582 752
	Continuation members	13 148 779	10 697 865	10 463 649	10 421 576
	Total Liability	24 847 893	21 053 219	18 619 975	18 211 827

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2011 R
In-service members	4 243 330
Continuation members	9 538 157
Total Liability	13 781 487

History of experience adjustments were calculated as follows:

	2015	2014	2013	2012	2011
Liabilities: (Gain) / loss	1 953 200	361 000	(645 000)	2 398 000	(198 000)
Assets: Gain / (loss)	-	-	-	-	-

The Municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;
LA Health;
Samwumed;
Keyhealth, and
Hosmed

	2015 %	2014 %
i) Rate of interest		
Discount rate	8.66%	8.89%
Health Care Cost Inflation Rate	7.87%	8.12%
Net Effective Discount Rate	0.73%	0.71%

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

ii) Mortality rates

Mortality during employment - SA 85-90
Mortality post-retirement - PA90-1

iii) Normal retirement age

It has been assumed that in-service members will retire at age 65, which then implicitly allows for expected rates of early and ill-health retirement.

iv) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

	2015 R	2014 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	24 847 894	21 053 220
Total Liability	24 847 894	21 053 220

The fund is wholly unfunded.

The Municipality has elected to recognise the full increase in this defined benefit liability immediately as per GRAP 25, Employee Benefits.

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	21 053 220	18 619 976
Total expenses	1 912 983	1 651 860
Current service cost	1 002 877	876 703
Interest Cost	1 835 454	1 560 087
Benefits Paid	(925 348)	(784 930)
Actuarial (gains)/losses	1 881 691	781 384
Present value of fund obligation at the end of the year	24 847 894	21 053 220
Less: Transfer of Current Portion - note 6	(976 224)	(810 228)
Balance 30 June	23 871 670	20 242 992

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Sensitivity Analysis on the Accrued Liability

Assumption	In-service members liability R	Continuation members liability R	Total liability R
Central Assumptions	11 699 000	13 149 000	24 848 000

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability R	Continuation members liability R	Total liability R	Change %
Health care inflation	1%	14 563 000	14 431 000	28 994 000	17%
Health care inflation	-1%	9 480 000	12 034 000	21 514 000	-13%
Discount rate	1%	9 511 000	12 050 000	21 561 000	-13%
Discount rate	-1%	14 570 000	14 435 000	29 005 000	17%
Post-retirement mortality	-1 year	12 141 000	13 720 000	25 861 000	4%
Average retirement age	-1 year	12 831 000	13 149 000	25 980 000	5%
Continuation of membership at retirement	-10%	10 191 000	13 149 000	23 340 000	-6%

Sensitivity Analysis on the Current-Service and Interest Cost

Assumption	Change	Current Cost R	Service Interest Cost R	Total R	Change %
Central Assumptions		1 234 500	2 110 000	3 344 500	
Health care inflation	1%	1 543 600	2 469 000	4 012 600	20%
Health care inflation	-1%	997 400	1 821 300	2 818 700	-16%
Discount rate	1%	1 010 000	2 036 400	3 046 400	-9%
Discount rate	-1%	1 530 200	2 184 600	3 714 800	11%
Post-Retirement mortality	-1 year	1 280 800	2 197 700	3 478 500	4%
Average retirement age	-1 year	1 393 700	2 208 000	3 601 700	8%
Continuation of Membership at retirement	10%	1 078 300	1 979 500	3 057 800	-9%

History of liabilities and assets	2015	2014	2013	2012	2011
Accrued Liability	24 847 893	21 053 000	18 620 000	18 212 000	13 781 000
Fair value of plan assets	-	-	-	-	-
Surplus	24 847 893	21 053 000	18 620 000	18 212 000	13 781 000

3.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses.

2015 Employees	2014 Employees
375	376

Key actuarial assumptions used:

i) Rate of interest

Discount rate	8.16%	8.22%
General Salary Inflation (long-term)	7.22%	7.26%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	0.88%	0.89%

ii) Actuarial Valuation Method

The Projected Unit Credit Method has been used to value the liabilities.

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

	2015 R	2014 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	4 695 477	4 426 598
Net liability	4 695 477	4 426 598

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2013 R	2012 R	2011 R
Total Liability	3 708 407	3 242 171	2 284 031

History of experience adjustments were calculated as follows:

	2015	2014	2013	2012	2011
Liabilities: (Gain) / loss	(72 616)	262 519	45 289	392 579	(224 240)
Assets: Gain / (loss)	-	-	-	-	-

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	4 426 598	3 708 407
Total expenses	336 347	529 149
Current service cost	396 840	460 253
Interest Cost	346 304	275 707
Benefits Paid	(406 797)	(206 811)
Actuarial (gains)/losses	(67 468)	189 042
Present value of fund obligation at the end of the year	4 695 477	4 426 598
Less: Transfer of Current Portion - note 6	(244 211)	(433 904)
Balance 30 June	4 451 266	3 992 694

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability R	Change %
Central assumptions		4 695 000	
General salary inflation	+1%	5 108 000	9%
General salary inflation	-1%	4 330 000	-8%
Discount Rate	+1%	4 316 000	-8%
Discount Rate	-1%	5 132 000	9%
Average retirement age	-2yrs	4 223 000	-10%
Average retirement age	+2yrs	5 309 000	13%
Withdrawal rates	-50%	5 661 000	21%

Sensitivity Analysis on the Current- Service and Interest Cost

Assumption	Change	Current Cost R	Service Interest Cost R	Total R	Change %
Central assumptions		458 900	373 600	832 500	
General salary inflation	+1%	507 400	407 200	914 600	10%
General salary inflation	-1%	416 500	343 800	760 300	-9%
Discount Rate	+1%	419 000	384 600	803 600	-3%
Discount Rate	-1%	505 200	359 100	864 300	4%
Average retirement age	-2yrs	416 000	335 000	751 000	-10%
Average retirement age	+2yrs	511 700	423 700	935 400	12%
Withdrawal rates	-50%	606 600	452 400	1 059 000	27%

History of liabilities and assets

	2015	2014	2013	2012	2011
Accrued liability	4 695 433	4 426 598	3 708 407	3 242 171	2 284 031
Fair value of plan asset	-	-	-	-	-
Surplus/(Deficit)	4 695 433	4 426 598	3 708 407	3 242 171	2 284 031

3.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.

CAPE JOINT PENSION FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in a sound financial position with a funding level of 101.7% (30 June 2013- 99.2%).

Contributions paid recognised in the Statement of Financial Performance	25 069	22 926
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CAPE RETIREMENT FUND

The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in sound financial position with a funding level of 112.6% (30 June 2013 - 105.1%).

Contributions paid recognised in the Statement of Financial Performance	7 898 095	7 212 090
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DEFINED CONTRIBUTION FUNDS

Council contribute to the Municipal Council Pension Fund, SALA Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance

SAMWU National Provident Fund	940 702	984 620
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MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
4 NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites	43 970 037	36 151 776
Total Non-current Provisions	43 970 037	36 151 776

In terms of the licensing of the landfill refuse sites, the Municipality will incur rehabilitation costs to restore the sites at the end of their useful lives, estimated to be in 2016 - 2034.

Landfill Sites

Balance 1 July	36 151 776	35 129 617
Finance Charges	1 893 759	1 653 979
Addition	8 290 750	58 786
Change in Provision for Rehabilitation Cost	(2 366 248)	(690 606)
Total provision 30 June	43 970 037	36 151 776
Less: Transfer of Current Portion to Current Provisions	-	-
Balance 30 June 2015	43 970 037	36 151 776

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Klawer	Vanhynsdorp	Vredendal	Lutzville	Strandfontein
Rehabilitation Area(m2)	12 190	25 850	50 460	29 170	7 750
P&G	279 696	1 102 882	841 187	526 796	208 915
Site Clearance (R)	28 403	60 231	117 572	67 968	18 058
Storm Water Drainage (R)	946 550	1 269 593	2 150 548	1 500 676	777 812
Capping (R)	755 780	6 201 140	3 128 520	1 808 540	480 500
Gas Management (R)					
Leachate Management	257 097	336 762	601 840	375 647	205 883
Fencing	10 000	10 000	10 000	10 000	10 000
Other (R)	305 000	626 000	305 000	305 000	305 000
Contingencies (R)	227 753	898 061	684 967	428 962	170 117
Engineering (R)	187 896	740 900	565 098	353 894	140 346
Site Supervision (R)	257 052	719 808	450 840	375 728	294 804
Total (Excl VAT)	3 255 226	11 965 376	8 855 572	5 753 209	2 611 436
Rehab cost/m2	267	463	176	197	337
Estimated construction period(weeks)	12	16	20	16	12
	Doringbaai	Bitterfontein	Kliprand	Rietpoort	Nuwerus
Rehabilitation Area(m2)	8 150	4 570	1 790	820	3 170
P&G	245 261	256 628	137 515	66 515	126 122
Site Clearance (R)	18 990	10 648	4 171	1 911	7 386
Storm Water Drainage (R)	961 904	546 154	437 760	323 126	536 542
Capping (R)	505 300	1 105 420	416 905	50 840	196 540
Gas Management (R)		-	-	-	-
Leachate Management	255 674	160 834	113 414	89 230	150 402
Fencing	10 000	10 000	10 000	10 000	10 000
Other (R)	305 000	305 000	305 000	305 000	290 000
Contingencies (R)	199 713	208 968	111 976	54 162	102 699
Engineering (R)	164 763	172 399	92 381	44 684	84 727
Site Supervision (R)	297 552	585 024	543 200	359 652	222 128
Total (Excl VAT)	2 964 156	3 361 075	2 172 322	1 305 119	1 726 546
Rehab cost/m2	364	735	1 214	1 592	545
Estimated construction period	12	12	8	12	8

	2015 R	2014 R
5 CONSUMER DEPOSITS		
Water and Electricity	3 955 367	3 085 973
Total Consumer Deposits	3 955 367	3 085 973

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

6 CURRENT EMPLOYEE BENEFITS		
Current Portion of Post Retirement Benefits - note 3	976 224	810 228
Current Portion of Long-Service Provisions - note 3	244 211	433 904
Provision for Staff Leave	4 554 751	4 130 667
Bonuses Accrued	2 154 840	1 990 934
Pension	34 517	35 055
Total Current Employee Benefits	7 964 543	7 400 788

The movement in current employee benefits are reconciled as follows:

Provision for Staff Leave

Balance at beginning of year	4 130 667	3 754 020
Contribution to current portion	972 100	896 513
Expenditure incurred	(548 016)	(519 867)
Balance at end of year	4 554 751	4 130 667

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
<u>Bonuses Accrued</u>		
Balance at beginning of year	1 990 934	1 964 336
Contribution to current portion	4 020 417	3 693 891
Expenditure incurred	(3 856 511)	(3 667 293)
Balance at end of year	2 154 840	1 990 934

Bonuses are being paid to all municipal staff. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

<u>Pension</u>		
Balance at beginning of year	35 055	35 055
Contribution to current portion	-	-
Expenditure incurred	(538)	-
Balance at end of year	34 517	35 055

Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.

7 PAYABLES FROM EXCHANGE TRANSACTIONS

Trade Payables	3 400 689	2 052 489
Pre-paid electricity	315 117	312 016
Sundry Creditors	15 755 111	14 268 239
Balance Previously Reported		13 082 598
Correction of Error see note 38.01(g)		762 594
Correction of Error see note 38.01(h)		85 385
Correction of Error see note 38.01(m)		313 746
Correction of Error see note 38.01(n)		23 916
Payments received in advance	3 639 246	3 103 948
Retentions	746 326	1 077 893
Total Trade Payables	23 856 489	20 814 586

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include hall, builders and housing deposits.

8 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS

National Government Grants	958 883	4 966 869
Provincial Government Grants	499 999	1 372 063
Total Unspent Conditional Grants and Receipts	1 458 883	6 338 933

Refer to note 20 for a detail reconciliation of grants.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

See appendix "B" for reconciliation of grants from other spheres of government. The Municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

9 TAXES

9.1 VAT PAYABLE

VAT Payable	378 704	368 731
VAT Output in suspense	4 093 068	3 596 198
Less: Contribution to provision for impairment of trade receivables from exchange transactions	(2 902 570)	(2 325 503)
Opening balance	(2 325 503)	(1 840 044)
Balance Previously reported		(1 570 170)
Correction of error see note 38.01 (i)		(269 874)
Movement for the year	(577 067)	(485 459)
Balance Previously Reported		(250 290)
Correction of error see note 38.01 (j)		(235 169)
Total VAT Payable	1 569 202	1 639 426

9.2 VAT RECEIVABLE

VAT Input in suspense	1 871 968	1 142 259
Total VAT Receivable	1 871 968	1 142 259

9.3 NET VAT RECEIVABLE/(PAYABLE)

302 766	(497 167)
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VAT is receivable/(payable) on the cash basis.

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

11

INVESTMENT PROPERTY

Net Carrying amount at 1 July

Balance Previously reported
Correction of error see note 38.01(o)
Correction of error see note 38.01(p)
Correction of error see note 38.01(q)
Correction of error see note 38.01(r)

Disposals - current year

Balance Previously reported
Correction of error see note 38.01(s)

Transfers from Property Plant and Equipment

Transfers from Inventory

Fair value gain/(losses)

Balance Previously Reported
Correction of error see note 38.01(o)
Correction of error see note 38.01(p)
Correction of error see note 38.01(q)
Correction of error see note 38.01(r)

Carrying amount at 30 June

Revenue derived from the rental of investment property

Operating expenditure incurred on properties generating revenue

Operating expenditure incurred on properties not generating revenue

Land to the value of R 3 460 774 were identified to be sold during the next financial year.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

Fair value valuations were performed by an independent firm, South Cape Valuers. The valuator, Stephanus Janse Hendrikus de Swardt is a Professional Associated Valuer (registration no 2970) at the South African Council for Property Valuers Profession

The method to be applied in the assessment of value will properly reflect the actions of buyers and sellers, as well as the approach typically followed by market participants, including brokers, in the assessment of selling prices. It will also reflect market circumstances at the time, such as the availability of property for rental and sale and the respective strengths and weaknesses of buyers and sellers.

2015 R	2014 R
62 378 400	58 489 570
	56 490 950
	879 720
	997 650
	(32 000)
	153 250
-	(1 709 550)
	(1 489 800)
	(219 750)
-	2 210 400
-	69 156
3 591 431	3 318 824
	2 994 444
	61 680
	247 800
	(51 600)
	66 500
65 969 831	62 378 400
70 012	56 837
24 654	38 334
-	-

12

INTANGIBLE ASSETS

Computer Software and Servitudes

Net Carrying amount at 1 July

Cost
Accumulated Amortisation
Amortisation

Net Carrying amount at 30 June

Cost
Accumulated Amortisation

424 160	474 324
773 006	773 006
(348 846)	(298 682)
(50 164)	(50 164)
373 995	424 160
773 006	773 006
(399 011)	(348 846)

Computer Software were assets to have a life span of 15 years, Servitudes has an indefinite life span.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

13

LONG-TERM RECEIVABLES

Housing Selling Scheme Loans
Receivables with repayment arrangements

Total Long-Term Receivables

Less: Provision for Debt Impairment

Total Net Long Term Receivables

Less: Current portion transferred to current receivables

Total Long Term Receivables

-	593 678
1 074 602	1 031 507
1 074 602	1 625 185
(537 301)	(1 109 431)
537 301	515 754
(382 632)	(355 785)
154 669	159 969

The carrying amount of these assets approximates their fair value.

The provision for Debt Impairment could be allocated to the different classes of Long-Term Receivables as follows:

Housing Selling Scheme Loans
Receivables subject to repayment arrangements

Total Provision for Debt Impairment

-	(593 678)
(537 301)	(515 753)
(537 301)	(1 109 431)

Housing loans are not granted to officials of the municipality, it is in respect of the old housing schemes. The outstanding amount relates to prior years and is not collectable. Housing loans which attract interest at 3-10% per annum and which are repayable over a maximum period of 20 years.

Receivables subject to repayment arrangements are debtors which are repaying their outstanding consumers accounts over a period of more than 12 months.

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
14 INVENTORY		
Consumable Stores - at cost	45 378	98 803
Water - at purification cost	332 871	270 741
Graves - at nett realisable value	46 316	41 667
Land Held for Resale - at cost	-	-
Balance Previously Reported		62 829
Correction of error see note 38.01 (k)		39 230
Correction of error see note 38.01 (l)		(102 059)
Total Inventory	424 565	411 211

No inventory assets were pledged as security for liabilities.

15 RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Service Receivables	48 519 460	41 905 985
Electricity	7 162 640	6 692 264
Water	8 467 169	6 221 235
Refuse	8 381 651	6 163 348
Sewerage	10 145 807	8 510 452
Other	14 362 193	14 118 686
Other Receivables	263 651	158 377
Sundry Receivables	263 651	158 377
Total Receivables from Exchange Transactions	48 783 111	42 064 362
Less: Provision for Debt Impairment	(36 535 776)	(31 351 323)
Total Net Receivables from Exchange Transactions	12 247 335	10 713 040

Consumer debtors are receivable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.

Receivables to an amount of R4 million are pledged as security for financial liabilities.

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	36 364 592	30 476 148
Balance Previously Reported		20 670 410
Correction of Error see note 38.01 (i)		9 805 738
Contribution to provision	11 341 206	9 479 213
Balance Previously Reported		5 399 654
Correction of Error see note 38.01 (j)		4 079 559
Bad Debts Written Off	(4 562 763)	(3 590 769)
Balance at end of year	43 143 035	36 364 592
Receivables from Exchange Transactions	36 535 776	31 351 323
Receivables from Non-Exchange Transactions	6 069 958	3 903 838
Long term receivables	537 301	1 109 431

Concentrations of credit risk with respect to trade receivables are limited due to the Municipality's large number of customers. The Municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the Municipality's trade receivables.

Summary of debtors by customer classification

Consumers

Current (0 - 30 days)	9 920 941	8 861 471
31 - 60 Days	3 841 173	3 030 115
61 - 90 Days	2 172 433	1 900 922
91 - 120 Days	1 637 260	1 514 762
+ 120 Days	35 473 586	30 065 307
Total	53 045 393	45 372 577

Industrial/Commercial

Current (0 - 30 days)	734 155	784 845
31 - 60 Days	182 765	144 371
61 - 90 Days	64 956	53 069
91 - 120 Days	23 727	14 841
+ 120 Days	368 824	543 182
Total	1 374 427	1 540 307

National and Provincial Government

Current (0 - 30 days)	88 957	65 326
31 - 60 Days	13 988	17 388
61 - 90 Days	8 460	18 391
91 - 120 Days	7 556	18 650
+ 120 Days	586 218	622 469
Total	705 179	742 223

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
Ageing of Receivables from Exchange Transactions:		
<u>(Electricity): Ageing</u>		
Current (0 - 30 days)	4 869 020	4 592 053
31 - 60 Days	1 076 773	855 019
61 - 90 Days	266 170	211 590
91 - 120 Days	108 413	118 662
+ 120 Days	842 264	1 114 940
Total	7 162 640	6 892 264
<u>(Water): Ageing</u>		
Current (0 - 30 days)	980 909	851 081
31 - 60 Days	601 838	452 368
61 - 90 Days	477 920	277 550
91 - 120 Days	338 805	227 149
+ 120 Days	6 067 697	4 413 087
Total	8 467 169	6 221 235
<u>(Refuse): Ageing</u>		
Current (0 - 30 days)	1 165 091	807 521
31 - 60 Days	565 354	382 276
61 - 90 Days	376 895	266 240
91 - 120 Days	321 760	226 252
+ 120 Days	5 952 551	4 481 060
Total	8 381 651	6 163 348
<u>(Sewerage): Ageing</u>		
Current (0 - 30 days)	1 168 080	1 063 854
31 - 60 Days	610 512	509 895
61 - 90 Days	427 309	367 991
91 - 120 Days	360 940	309 502
+ 120 Days	7 578 966	6 259 210
Total	10 145 807	8 510 452
<u>(Other): Ageing</u>		
Current (0 - 30 days)	560 639	566 507
31 - 60 Days	608 294	525 251
61 - 90 Days	397 972	601 554
91 - 120 Days	334 190	493 849
+ 120 Days	12 461 098	11 931 524
Total	14 362 193	14 118 686
<u>(Total): Ageing</u>		
Current (0 - 30 days)	8 743 739	7 881 017
31 - 60 Days	3 462 771	2 724 809
61 - 90 Days	1 946 266	1 724 924
91 - 120 Days	1 464 108	1 375 415
+ 120 Days	32 902 576	28 199 821
Total	48 519 460	41 905 985
16 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Rates	6 605 537	5 749 123
Fines	1 982 736	315 750
Other Receivables	1 140 455	1 126 841
Eskom Deposits	303 030	266 628
Suspense Debtors	837 425	860 213
Total Receivables from Non-Exchange Transactions	9 728 728	7 191 713
Less: Allowance for Doubtful Debts	(6 069 958)	(3 903 838)
Total Net Receivables from Non-Exchange Transactions	3 658 770	3 287 875

The entire provision for bad debts relates to the outstanding rates balance.

Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.

Ageing of Receivables from Non-Exchange Transactions:

<u>(Rates): Ageing</u>		
Current (0 - 30 days)	2 000 312	1 830 625
31 - 60 Days	575 155	467 066
61 - 90 Days	299 583	247 458
91 - 120 Days	204 435	172 838
+ 120 Days	3 526 052	3 031 136
Total	6 605 537	5 749 123

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
17 OPERATING LEASE ARRANGEMENTS		
17.1 The Municipality as Lessor (Asset)		
Balance on 1 July	34 401	35 474
Movement during the year	(7 254)	(1 073)
Balance on 30 June	27 147	34 401
At the Statement of Financial Position date, where the Municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
Up to 1 Year	71 009	68 074
1 to 5 Years	58 526	129 535
More than 5 Years	-	-
Total Operating Lease Arrangements	129 535	197 609
This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.		
The Municipality is leasing land and buildings to different rate payers for periods ranging from 36 to 120 months with escalations of between 3% and 10% per year.		
The leases are in respect of land and buildings being leased out for previous ranging until 2019.		
The municipality does not engage in any sub-lease arrangements.		
The municipality did not receive any contingent rent during the year		
18 CASH AND CASH EQUIVALENTS		
Assets		
Bank Accounts	10 726 798	3 442 099
Cash Floats	6 150	6 800
Total Cash and Cash Equivalents - Assets	10 732 948	3 448 899
Liabilities		
ABSA Bank - Account Number 40-5057-5029	-	750 056
Total Cash and Cash Equivalents - Liabilities	-	750 056
The Municipality has the following bank accounts:		
Current Accounts - Assets		
ABSA Bank - Account Number 40-5057-5029	5 407 428	-
ABSA Bank - Account Number 40-7513-2844	486 744	247 023
ABSA Bank - Account Number 40-7512-9982	2 902 302	1 314 696
ABSA Bank - Account Number 40-7554-5657	1 930 324	1 267 712
ABSA Bank - Account Number 40-7670-7628	-	612 668
	10 726 798	3 442 099
Current Accounts - Liabilities		
ABSA Bank - Account Number 40-5057-5029	-	750 056
ABSA Bank - Account Number 40-5057-5029		
Cash book balance at beginning of year	(750 056)	1 691 052
Cash book balance at end of year	5 407 428	(750 056)
Bank statement balance at beginning of year	2 306 463	1 691 052
Bank statement balance at end of year	5 407 428	2 306 463
ABSA Bank - Account Number 40-7513-2844		
Cash book balance at beginning of year	247 023	4 200
Cash book balance at end of year	486 744	247 023
Bank statement balance at beginning of year	247 023	4 200
Bank statement balance at end of year	486 744	247 023
ABSA Bank - Account Number 40-7512-9982		
Cash book balance at beginning of year	1 314 696	4 036
Cash book balance at end of year	2 902 302	1 314 696
Bank statement balance at beginning of year	1 314 696	4 036
Bank statement balance at end of year	2 902 302	1 314 696
ABSA Bank - Account Number 40-7554-5657		
Cash book balance at beginning of year	1 267 712	-
Cash book balance at end of year	1 930 324	1 267 712
Bank statement balance at beginning of year	1 267 712	-
Bank statement balance at end of year	1 930 324	1 267 712
ABSA Bank - Account Number 40-7670-7628		
Cash book balance at beginning of year	612 668	612 668
Cash book balance at end of year	-	612 668
Bank statement balance at beginning of year	612 668	612 668
Bank statement balance at end of year	-	612 668

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

19	PROPERTY RATES	2015	2014
		R	R
	<u>Actual</u>		
	Rateable Land and Buildings		
	Residential, Commercial Property, State	32 573 584	28 858 184
	Balance Previously Reported		29 351 335
	Correction of error see note 38.01 (v)		(493 151)
	Total Assessment Rates	32 573 584	28 858 184
	Rates:		
	Residential	0.00985 c/R	0.00927 c/R
	Commercial	0.00985 c/R	0.00927 c/R
	Agricultural (2010 - less 65% rebate)	0.00246 c/R	0.00196 c/R
	DMA Agricultural	0.00052 c/R	0.00049 c/R

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2011. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

20 GOVERNMENT GRANTS AND SUBSIDIES

Unconditional Grants	39 922 000	37 874 000
Equitable Share	39 922 000	37 874 000
Conditional Grants	35 969 799	34 718 936
CDW's	147 818	186 907
Department of Mineral Resources	1 085 272	600 913
Department of Sport and Culture	-	346 476
Revenue Enhancement	998 012	541 988
FMG	1 450 000	1 300 000
Housing	-	250 316
Library Services	6 502 984	3 475 440
MIG	22 060 482	14 424 518
MSIG	759 232	890 000
EPWP	1 201 000	1 000 000
DWAF	1 058 000	340 000
ACIP	-	7 256 039
Neighbourhood Development	310 999	2 430 612
Public Transport	46 000	1 675 727
Municipal Performance Management Grant	100 000	-
Municipal Infrastructure Support Grant	250 000	-
Total Government Grants and Subsidies	75 891 799	72 592 936
Government Grants and Subsidies - Capital	26 251 432	27 593 337
Government Grants and Subsidies - Operating	49 640 367	44 999 599
	75 891 799	72 592 936

Revenue recognised per vote as required by Section 123 (c) of the MFMA

Equitable share	39 922 000	37 874 000
Executive and Council	100 000	389 156
Budget and treasury office	28 699 444	28 893 336
Corporate Services	663 244	890 000
Community and social services	5 252 284	3 546 443
Road Transport	1 247 000	1 000 001
Electricity	7 827	-
	75 891 799	72 592 936

The Municipality does not expect any significant changes to the level of grants.

20.1 Equitable share

Opening balance	-	-
Grants received	39 922 000	37 874 000
Conditions met - Operating	(39 922 000)	(37 874 000)
Conditions met - Capital	-	-
Conditions still to be met/(Grant Expenditure to be recovered)	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the Municipality by the National Treasury.

20.2 Local Government Financial Management Grant (FMG)

Opening balance	-	-
Grants received	1 450 000	1 300 000
Conditions met - Operating	(1 450 000)	(1 300 000)
Conditions met - Capital	-	-
Conditions still to be met/(Grant Expenditure to be recovered)	-	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

20.3 Municipal Systems Improvement Grant

Opening balance	-	-
Grants received	934 000	890 000
Conditions met - Operating	(663 244)	(890 000)
Conditions met - Capital	(95 988)	-
Conditions still to be met/(Grant Expenditure to be recovered)	174 768	-

The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
	R	R
20.4 Municipal Infrastructure Grant (MIG)		
Opening balance	4 597 482	-
Grants received	20 089 000	19 022 000
Grants repaid	(2 626 000)	-
Conditions met - Operating	-	-
Conditions met - Capital	(22 060 482)	(14 424 518)
Conditions still to be met/(Grant Expenditure to be recovered)	<u>-</u>	<u>4 597 482</u>

The grant was used to upgrade infrastructure in previously disadvantaged areas.

20.5 Housing Grants		
Opening balance	-	-
Grants received	-	250 316
Conditions met - Operating	-	-
Conditions met - Capital	-	(250 316)
Conditions still to be met/(Grant Expenditure to be recovered)	<u>-</u>	<u>-</u>

Housing grants was utilised for the development of erven and the erection of top structures.

20.6 Department of Mineral Resources		
Opening balance	-	60 913
Grants received	1 500 000	2 000 000
Conditions met - Operating	-	-
Conditions met - Capital	(1 085 272)	(600 913)
Grants repaid	-	(1 460 000)
Conditions still to be met/(Grant Expenditure to be recovered)	<u>414 728</u>	<u>-</u>

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

20.7 Other Grants		
Opening balance	1 741 451	1 437 980
Grants received	10 945 000	17 556 660
Conditions met - Operating	(7 605 123)	(4 935 599)
Conditions met - Capital	(3 009 690)	(12 317 590)
Conditions still to be met/(Grant Expenditure to be recovered)	<u>2 071 638</u>	<u>1 741 451</u>

Various grants were received from other spheres of government (e.g. Library Services Grant and Neighbourhood Development Grant).

20.8 Total Grants		
Opening balance	6 338 933	1 498 893
Grants received	74 840 000	78 892 976
Grants repaid	(3 828 249)	(1 460 000)
Conditions met - Operating	(49 640 368)	(44 999 600)
Conditions met - Capital	(26 251 432)	(27 593 336)
Conditions still to be met/(Grant expenditure to be recovered)	<u>1 458 884</u>	<u>6 338 933</u>

Disclosed as follows:

Unspent Conditional Government Grants and Receipts	1 458 883	6 338 933
Unpaid Conditional Government Grants and Receipts	<u>-</u>	<u>-</u>
	<u>1 458 883</u>	<u>6 338 933</u>

21 SERVICE CHARGES

Electricity	84 374 508	75 137 729
Service Charges	85 275 693	75 887 525
Less: Revenue foregone	(901 185)	(749 796)
Balance Previously Reported		(1 242 947)
Correction of error see note 38.01 (v)		493 151
Water	17 694 998	13 145 309
Service Charges	17 988 003	13 441 534
Less: Revenue foregone	(293 004)	(296 225)
Refuse removal	12 995 056	9 184 008
Service Charges	15 363 669	11 029 920
Less: Revenue foregone	(2 368 613)	(1 845 912)
Sewerage and Sanitation Charges	12 966 227	11 939 645
Service Charges	15 796 263	14 590 664
Less: Revenue foregone	(2 830 036)	(2 651 019)
Total Service Charges	<u>128 030 790</u>	<u>109 406 691</u>

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

22	OTHER INCOME	2015	2014
		R	R
	Advertising	40 203	28 439
	Application Fees - Town Planning	106 211	48 018
	Aqua Kultuur	137 173	134 821
	Building Plan Fees	239 334	318 112
	Cemetery	445 226	338 756
	Cemetery Digging	9 361	12 812
	Encroachments	33 983	60 054
	Namakwa fees	-	50 000
	Housing Redeemed	69 879	61 703
	Insurance Claims	356 731	305 541
	Photocopies	30 297	25 723
	Refuse Bags	-	162
	Roadworthy Certificates	687 892	670 703
	Subscription Fees	298	219
	Sundry Income - Finance	2 692 036	563 578
	Valuation Certificates	90 133	65 645
	Telephone	103 217	144 420
	Total Other Income	5 041 973	2 828 705
		<hr/>	<hr/>
	Sundry Income (Finance) includes an amount for the Landfill site. The decrease in liability exceeded the carrying amount of the asset, and the excess was recognized as income.		
23	CONTRIBUTING PROPERTY PLANT AND EQUIPMENT		
	Contribution Property Plant and Equipment	11 937 431	-
	Total Contributing Property, Plant and Equipment	11 937 431	-
		<hr/>	<hr/>
	Department of Land Reforms and Namakwa Sand Mining Company contributed towards the construction of infrastructure and community assets		
24	FAIR VALUE ADJUSTMENTS		
	Fair Value adjustments of Investment Property	3 591 431	3 318 824
	Balance Previously Reported		2 994 444
	Correction of error see note 38.01(o)		61 680
	Correction of error see note 38.01(p)		247 800
	Correction of error see note 38.01(q)		(51 600)
	Correction of error see note 38.01(r)		66 500
	Total Fair Value Adjustments	3 591 431	3 318 824
		<hr/>	<hr/>
25	RENTAL OF FACILITIES AND EQUIPMENT		
	Strandfontein	2 101 392	1 751 379
	Other rentals	1 240 174	874 966
	Total Rental of Facilities and Equipment	3 341 566	2 626 345
		<hr/>	<hr/>
26	FINES		
	Municipal Traffic Fines	2 350 965	750 015
	Provincial Traffic Fines	1 186 120	927 193
	Other	28 556	33 622
	Total Fines	3 565 641	1 710 830
		<hr/>	<hr/>
27	EMPLOYEE RELATED COSTS		
	Bonuses	4 020 417	3 693 891
	Contributions for UIF, pensions and medical aids	12 028 669	10 915 434
	Housing Subsidy	204 562	164 692
	Long service awards	396 840	460 253
	Overtime	2 839 420	2 245 621
	Post Employment Health	1 002 877	876 703
	Protective Clothing	323 746	380 964
	Provision for Staff Leave	972 100	896 513
	Salaries and Wages	55 769 704	51 052 804
	Skills Development Levy and Training	547 458	416 253
	Travel, motor car, telephone, assistance and other allowances	3 258 448	3 207 433
	Correction of error see note 38.01(n)	-	23 916
	Total Employee Related Costs	81 364 241	74 334 478
		<hr/>	<hr/>

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
KEY MANAGEMENT PERSONNEL		
Municipal Manager is appointed on a 5 year fixed contract. There are no post-employment or termination benefits payable at the end of the contract period. All other Directors are permanently appointed.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the previous Municipal Manager: DGI O'NEILL (Resigned August 2013)</i>		
Annual Remuneration	-	138 600
Bonus	-	54 000
Contributions for UIF, pensions and medical aids	-	34 344
Travel, motor car, telephone, assistance and other allowances	-	111 118
Skills Development Levy and Training	-	3 050
Total	-	341 112
<i>Remuneration of the Director Technical Services: J PEKEUR</i>		
Annual Remuneration	582 544	544 755
Bonus	38 400	38 400
Contributions for UIF, pensions and medical aids	150 427	140 671
Travel, motor car, telephone, assistance and other allowances	74 568	105 142
Skills Development Levy and Training	7 301	7 099
Total	853 240	836 067
Included in remuneration of the Director Technical Services is also the allowance for acting as Municipal Manager during current financial year		
<i>Remuneration of the Director Corporate Services: W CONRADIE</i>		
Annual Remuneration	539 048	495 030
Contributions for UIF, pensions and medical aids	144 109	139 141
Travel, motor car, telephone, assistance and other allowances	71 960	86 461
Skills Development Levy and Training	6 087	5 799
Total	761 204	726 431
Included in remuneration of the Director Corporate Services is also the allowance for acting as Municipal Manager during current financial year		
<i>Remuneration of the Director Community Services: J SWARTZ</i>		
Annual Remuneration	626 192	538 106
Bonus	6 600	26 708
Contributions for UIF, pensions and medical aids	152 647	143 396
Travel, motor car, telephone, assistance and other allowances	56 633	192 848
Skills Development Levy and Training	7 228	8 128
Total	849 300	909 185
Included in remuneration of the Director Community Services is also the allowance for acting as Municipal Manager during current financial year		
<i>Remuneration of the previous Director Financial Services: U BAARTMAN (Resigned October 2013)</i>		
Annual Remuneration	-	147 805
Bonus	-	14 175
Contributions for UIF, pensions and medical aids	-	39 082
Housing Subsidy	-	30 823
Travel, motor car, telephone, assistance and other allowances	-	53 784
Skills Development Levy and Training	-	2 550
Total	-	288 218
<i>Remuneration of the current Director Financial Services: M BOLTON (Appointed October 2013)</i>		
Annual Remuneration	961 433	498 064
Bonus	65 467	-
Contributions for UIF, pensions and medical aids	151 053	98 461
Travel, motor car, telephone, assistance and other allowances	76 237	89 220
Skills Development Levy and Training	11 054	5 708
Total	1 265 244	691 453
Included in remuneration of the Director Financial Services is also the allowance for acting as Municipal Manager during current financial year.		
<i>Remuneration of the current Director Planning and Development: L PHILLIPS (Appointed May 2015)</i>		
Annual Remuneration	108 116	-
Contributions for UIF, pensions and medical aids	297	-
Housing Subsidy	13 131	-
Travel, motor car, telephone, assistance and other allowances	22 539	-
Skills Development Levy and Training	1 284	-
Total	145 367	-

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2015 R	2014 R
28	REMUNERATION OF COUNCILLORS		
	PG Bok	663 855	171 764
	DS Goedeman	498 779	563 129
	MC Witbooi	559 740	529 238
	MJ Smith	236 416	224 216
	DD Jenner	-	5 403
	R Stephan	236 416	224 216
	A Sinyamba	236 416	224 216
	F Bam	559 740	529 238
	EL Mqingqi	236 416	224 216
	WH Nell	595 664	563 129
	IF Julies	-	145 200
	C vd Westruis	285 671	529 238
	B Owies	-	90 047
	AGM Julies	236 416	224 216
	J Botha	587 534	698 694
	W Fortuin	236 416	216 337
	Y Cloete	236 416	117 511
	B Julies	236 416	21 385
	Total Councillors' Remuneration	5 642 312	5 301 393
	Remuneration of councillors can be summarised as follows:		
	Salaries	4 447 955	4 051 491
	Travel, motor car, telephone, assistance and other allowances	654 270	714 848
	Contributions for UIF, pensions and medical aids	540 086	535 054
	Total Councillors' Remuneration	5 642 312	5 301 393
	Mayor	740 105	698 694
	Deputy Mayor	498 779	563 129
	Speaker	595 664	563 129
	Mayoral Committee	1 679 782	1 587 714
	Councillors	2 127 981	1 888 727
	Total Councillors' Remuneration	5 642 312	5 301 393
	In-kind Benefits		
	The Executive Mayor and all the committee members are part-time. The Mayor are provided with secretarial support and an office at the cost of the Council.		
29	DEBT IMPAIRMENT		
	Trade Receivables from exchange transactions - Note 15	10 121 310	9 810 273
	Balance Previously reported		4 893 648
	Correction of error see note 38.01(j)		4 916 625
	Trade Receivables from non-exchange transactions	1 219 896	(331 060)
	Balance Previously reported		506 007
	Correction of error see note 38.01(j)		(837 067)
	VAT Portion of Provision - note 9	(577 067)	(485 459)
	Balance Previously reported		(250 290)
	Correction of error see note 38.01 (j)		(235 169)
	Total Debt Impairment	10 764 139	8 993 754
30	DEPRECIATION AND AMORTISATION		
	Property Plant and Equipment	11 285 527	8 832 858
	Intangible Assets	50 164	50 164
	Total Depreciation and Amortisation	11 335 691	8 883 022
31	REVERSAL OF IMPAIRMENT LOSS		
	Property, Plant & Equipment	(59 781)	(23 019)
	Total Impairments	(59 781)	(23 019)
	The reversal of impairment relate to the capitalised restoration costs. The reversal of impairment was caused by the change in the discount rate which is linked to prime rate		
32	FINANCE CHARGES		
	Long-term Liabilities	3 767 345	4 089 333
	Landfill Sites	1 893 759	1 653 979
	Post Employment Health	1 835 454	1 560 087
	Long service awards	346 304	275 707
	Interest paid on arrear account	54 671	83 963
	Total Finance Charges	7 897 532	7 663 069
33	REPAIRS AND MAINTENANCE		
	Repairs and Maintenance	8 227 616	8 026 133
	Balance Previously Reported		11 772 335
	Correction of error see note 38.01 (t)		(3 746 202)
	Total Repairs and Maintenance	8 227 616	8 026 133
34	BULK PURCHASES		
	Electricity	68 116 282	62 190 521
	Water	5 702 564	4 638 415
	Total Bulk Purchases	73 818 846	66 828 936

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
35 CONTRACTED SERVICES		
Speeding	4 565	70 440
Other	-	-
Balance Previously Reported		2 240 085
Correction of error see note 38.01 (u)		(2 240 085)
Total Contracted Services	4 565	70 440
36 GRANTS AND SUBSIDIES		
Donations General	-	2 619
Life Guards	129 940	126 260
Poverty Alleviation	10 903	9 172
Tourism	786 520	742 000
Sport development	867	-
Total Grants and Subsidies	928 229	880 051
37 GENERAL EXPENSES		
Advertisements	182 877	202 314
Aqua Kultuur	84 282	134 821
Audit Committee Fees	51 075	11 410
Audit Fees	1 527 368	1 445 986
Bank Charges	425 021	364 159
Cleaning Material	118 751	112 034
Commission Paid	1 158 851	1 055 728
Computer Charges	522 689	488 211
Consulting fees	3 791 703	2 937 905
Contributions	67 657	46 837
Development Programmes	260 036	236 510
Embellishment of Towns	1 962	5 000
Entertainment Costs	8 532	-
Gas	82 488	69 241
Fuel	3 519 056	3 746 202
Information Signs	31 893	28 140
Insurance	784 186	812 737
Municipal Services	2 145 583	1 560 680
Mosters	391 377	319 291
Namakwa fees	-	60 478
Photocopies	76 456	33 662
Postage	55 067	59 086
Printing and Stationary	833 401	750 666
Public Entertainment	103 326	69 654
Rental	112 482	99 753
Security Costs	605 083	579 768
Service Connection Fees	320 853	328 213
Services	136 708	135 122
Subscription Fees	776 158	706 260
Survey Costs	14 061	29 200
Telephone	1 346 323	1 139 983
Training Costs	24 951	81 369
Travel and Subsistence	1 378 678	1 057 372
Valuation Costs	80 000	49 542
Rental external networks-IT	1 433 425	1 297 871
Other	1 070 740	475 905
Prodiba payments	266 388	263 426
General Expenses	23 789 488	20 794 536

38 CORRECTION OF ERROR IN TERMS OF GRAP 3

- 38.01 (a)** During the year the Municipality has comprehensively reviewed Infrastructure Assets which consequently lead to a more detailed unbundling and reclassification. This resulted in changes in accumulated depreciation and annual depreciation as it effected the assets since inception. This was retrospectively corrected with the following entries: Dt. Accumulated Depreciation Opening balance R15 238 159, (Ct) Accumulated Surplus Prior Year R15 238 159. Dt Accumulated Depreciation 2013/14 R2 687 504, (Ct) Accumulated surplus Current Year 2013/14 R2 655 443
- (b)** First Time Recognition of Land&Buildings at cost as at 1 July 2007 with the following entries. Dt Land & Buildings at Cost Opening balance, R6 607 550, (Ct) Accumulated Surplus Prior Year R6 607 550. Dt. Accumulated Surplus Opening balance R283 938, (Ct) Accumulated Depreciation Opening balance R283 938. Dt Accumulated Surplus Current year 2013/14 R47 323, (Ct) Accumulated Depreciation 2013/14 R47 323
- (c)** First Time Recognition of Community Assets at Cost as at 1 July 2007 with the following entries: Dt Community Assets at Cost Opening balance R925 900 (Ct) Accumulated Surplus Opening balance R925 900. Dt. Accumulated Surplus Prior Year R20 502, (Ct) Accumulated Depreciation Opening balance R20 502. Dt Accumulated Surplus Current year R3 417, (Ct) Accumulated Depreciation 2013/14 R3 417
- (d)** First Time Recognition of Other Assets at Cost as at 1 July 2007 with the following entries: Dt Other Assets at Cost Opening balance R61 932.78 (Ct) Accumulated Surplus Prior Year R61 932.78. Dt Accumulated Surplus Prior year R28 071.55 (Ct) Accumulated Depreciation Opening balance R28 071.55, Dt Accumulated Surplus Current Year R4045.81 (Ct) Accumulated Depreciation 2013/14 R4045.81
- (e)** Correction of Other assets at Cost 2013/14, reversal of disposal on assets 4485 and 4486, with the following entries: Dt. Other Assets at Cost 2013/14 R2 882.37 (Ct) Accumulated Surplus 2013/14 (Loss on Disposal of PPE) R1 883, (Ct) Accumulated Depreciation 2013/14 R999.28
- (f)** Correction of Other assets Opening Balance at Cost. Duplicate assets identified. This is corrected with the following entries: Dt. Accumulated Surplus Prior Year R170 745.90, (Ct) Other Assets Opening Balance R170 745.90. Dt Accumulated Depreciation Opening Balance R79 335.22, (Ct) Accumulated Surplus Prior Year R79 335.22. Dt Accumulated Depreciation 2013/14 R79 335.22, (Ct) Accumulated Surplus Current year 2013/14 R36 911
- (g)** Correction of Opening balance Payables from Exchange Transactions. Outstanding creditor for Workmen's Compensation Prior period payments still to be made. This is corrected with the following entries, Dt. Accumulated Surplus Prior Year R762 593.71, (Ct) Payables from Exchange Transactions R762 593.71
- (h)** Correction of Opening balance Payables from Exchange Transactions Outstanding creditor for MVS prior period payments still outstanding. This is corrected with the following entries: Dt. Accumulated Surplus Prior year R85 385, (Ct) Payables from Exchange transactions R85 385
- (i)** Correction of Opening balance Receivables from Exchange Transactions, Receivables from Non-Exchange Transactions and Taxes Opening balance due to the re-assessment of Bad Debt Provision. The previous assessment was seen to not be a true reflection and a more conservative approach was followed. This is corrected with the following entries, Dt Accumulated Surplus Prior year R9 535 864, Dt Taxes Prior Year R 269 873.56 and (Ct) Exchange from Non-exchange R1 955 922.72 , (Ct) Receivables from Exchange transactions R7 849 815.06

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

- (j) Correction of Receivables from Exchange Transactions, Receivables from Non-Exchange Transactions and Taxes 2013/14 balance due to the re-assessment of Bad Debt Provision. The previous assessment was seen to not be a true reflection and a more conservative approach was followed. This is corrected with the following entries, Dt Accumulated Surplus Current year R3 844 390.63, Dt Taxes 2013/14 Year R 235 168.18 and (Ct) Exchange from Non-exchange R837 066.66, (Ct) Receivables from Exchange R4 916 625.47
- (k) Correction of Inventory 2013/14, reversal of Disposal of Inventory. This is now corrected with the following entries Dt. Inventory 2013/14 R39 229.64, (Ct) Accumulated Surplus Current year (Profit on Sale of PPE) R39 229.64
- (l) Correction of Inventory Opening Balance. Inventory incorrectly classified at initial recognition. This is now corrected with following entries Dt Accumulated Surplus Prior year R102 059 (Ct) Inventory Opening balance R102 059
- (m) Correction of Payables from Exchange Transactions Opening balance due to Back-pay on Employee Related costs for prior periods only calculated 2014/15. This is now corrected with the following entries Dt Accumulated Surplus Prior year R313 746, (Ct) Payables from Exchange Transactions R313 746
- (n) Correction of Payables from Exchange Transactions 2013/14 due to Back-pay on Employee Related cost. This is now corrected with the following entries Dt Accumulated Surplus (Employee Related Costs) R23 916, (Ct) Payables from Exchange Transactions R23 916
- (o) First Time recognition of Investment Property at Fair Value opening balance with and Fair value 2013/14 not accounted for with the following entries. Cost : Dt Investment Property R879 720, (Ct) Accumulated Surplus Opening Balance R879 720, Dt Investment Property R61 680, (Ct) Accumulated Surplus Current Year(Fair Value Adjustments) R61 680
- (p) First Time recognition of Investment Property incorrectly classified as PPE, now corrected with the following entries: Dt Investment Property R997 650 (Ct) Accumulated Surplus Prior Year R99 7650, Dt Investment Property R247 800 and (Ct) Accumulated Surplus 2013-14 (Fair value adjustments) R 247 800
- (q) Derecognition of Investment Property incorrectly classified. This is now corrected with the following entries Dt Accumulated Surplus Prior Year R32000, (Ct) Investment Property Opening balance R32000. Dt Accumulated Surplus Current Year R51 600, (Ct) Investment Property R51 600
- (r) First Time Recognition of Investment Property incorrectly classified as Inventory in prior periods. This is now corrected with the following entries Dt Investment Property R 153 250, (Ct) Accumulated Surplus Prior Year R153 250. Dt Investment Property R66 500, (Ct) Accumulated Surplus Current Year(Fair value adjustments) R66 500
- (s) Correction of Investment Property 2013-14. Disposal of Investment Property understated. This is now corrected with the following entries Dt Accumulated Surplus Current Year (Profit on sale of Land) R219 750, (Ct) Investment Property R219 750
- (t) Correction of Fuel charges incorrectly classified as Repairs & Maintenance during the previous financial year. This is now corrected with the following entries: Dt General Expenses R3 745 202 (Ct) Repairs & Maintenance R3 746 202
- (u) Correction of Consulting Fees incorrectly classified as Contracted services in the previous financial year: This is now corrected with the following entries Dt Consulting fees R2 240 085, (Ct) Contracted services R2 240 085
- (v) Correction of Revenue Foregone on Electricity Charges incorrectly journalised to Property Rates in 2013/14. This resulted in Property Rates to be overstated and Service charges Electricity to be understated in 2013/14. This is now corrected with the following entries Dt Property Rates Income R493 151 and (Ct) Electricity Revenue Foregone R493 151

	2014 R	2013 R
38.02 Accumulated Surplus/(Deficit)	364 844 048	338 631 847
Balance previously reported		
Correction of Accumulated Depreciation Infrastructure Assets Opening balance see note 38.01(a)	15 238 159	15 238 159
Correction of Accumulated Depreciation Infrastructure Assets 2013/14 see note 38.01(a)	2 655 443	-
Correction of Land&Buildings at Cost Opening balance see note 38.01(b)	6 607 550	6 607 550
Correction of Accumulated Depreciation Land & Buildings Opening balance see note 38.01(b)	(283 938)	(283 938)
Correction of Accumulated Depreciation 2013/14 Land& Buildings see note 38.01(b)	(47 323)	-
Correction of Community Assets at Cost Opening Balance see note 38.01(c)	925 900	925 900
Correction of Accumulated Depreciation Community Assets Opening balance see note 38.01 (c)	(20 502)	(20 502)
Correction of Accumulated Depreciation Community Assets 2013/14 see note 38.01(c)	(3 417)	-
Correction of Other Assets at Cost Opening Balance see note 38.01(d)	61 933	61 933
Correction of Accumulated Depreciation Other Assets Opening balance see note 38.01 (d)	(28 071)	(28 071)
Correction of Accumulated Depreciation Other Assets 2013/14 see note 38.01(d)	(4 046)	-
Correction of Other Assets at Cost see note 38.01 (e)	2 882	-
Correction of Accumulated Depreciation Other assets 2013/14 see note 38.01 (e)	(999)	-
Correction of Other Assets at Cost Opening balance see note 38.01 (f)	(170 746)	(170 746)
Correction of Other Assets Accumulated Depreciation Opening balance see note 38.01(f)	79 335	79 335
Correction of Other Assets Accumulated Depreciation 2013/14 see note 38.01 (f)	36 911	-
Correction of Payables from Exchange Transactions Opening balance see note 38.01 (g)	(762 594)	(762 594)
Correction of Payables from Exchange Transactions Opening balance see note 38.01(h)	(85 385)	(85 385)
Correction of Taxes Opening balance see note 38.01(i)	269 874	269 874
Correction of Receivables from Exchange Transactions Opening balance see note 38.01(i)	(7 849 815)	(7 849 815)
Correction of Receivables from Non-Exchange Transactions Opening balance see note 38.01(i)	(1 955 923)	(1 955 923)
Correction of Taxes Opening balance see note 38.01(j)	235 168	-
Correction of Receivables from Exchange Transactions Opening balance see note 38.01(j)	(4 916 625)	-
Correction of Receivables from Non-Exchange Transactions Opening balance see note 38.01(j)	837 067	-
Correction of Inventory 2013/14 see note 38.01(k)	39 230	-
Correction of Inventory Opening balance - see note 38.01(l)	(102 059)	(102 059)
Correction of Payables from Exchange Opening balance see note 38.01(m)	(313 746)	(313 746)
Correction of Payables from Exchange 2013/14 see note 38.01(n)	(23 916)	-
Correction of Investment Property Opening balance see note 38.01(o)	879 720	879 720
Correction of Investment Property 2013/14 balance see note 38.01(o)	61 680	-
Correction of Investment Property Opening balance see note 38.01(p)	997 650	997 650
Correction of Investment Property 2013/14 balance see note 38.01(p)	247 800	-
Correction of Investment Property Opening balance see note 38.01(q)	(32 000)	(32 000)
Correction of Investment Property 2013/14 balance see note 38.01(q)	(51 600)	-
Correction of Investment Property Opening balance see note 38.01(r)	153 250	153 250
Correction of Investment Property 2013/14 balance see note 38.01(r)	66 500	-
Correction of Investment Property 2013/14 balance see note 38.01(s)	(219 750)	-
Restated Balance	377 367 644	352 240 439

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

		2014 R	2013 R
38.03	Property Plant and Equipment	COST	COST
	Balance previously reported Property Plant & Equipment at Cost	524 395 803	499 825 690
	Correction of Land&Buildings at Cost Opening balance see note 38.01(b)	6 607 550	6 607 550
	Correction of Community Assets at Cost Opening Balance see note 38.01(c)	925 900	925 900
	Correction of Other Assets at Cost Opening Balance see note 38.01(d)	61 933	61 933
	Correction of Other Assets at Cost see note 38.01 (e)	2 882	-
	Correction of Other Assets at Cost Opening balance see note 38.01 (f)	(170 746)	(170 746)
	Restated Balance	531 823 322	507 250 327
		ACC DEPR	ACC DEPR
	Balance previously reported Accumulated Depreciation Property Plant & Equipment	113 474 215	102 728 740
	Correction of Accumulated Depreciation Infrastructure Assets Opening balance see note 38.01(a)	(15 238 159)	(15 238 159)
	Correction of Accumulated Depreciation Infrastructure Assets 2013/14 see note 38.01(a)	(2 655 443)	-
	Correction of Accumulated Depreciation Land & Buildings Opening balance see note 38.01(b)	283 938	283 938
	Correction of Accumulated Depreciation 2013/14 Land& Buildings see note 38.01(b)	47 323	-
	Correction of Accumulated Depreciation Community Assets Opening balance see note 38.01(c)	20 502	20 502
	Correction of Accumulated Depreciation Community Assets 2013/14 see note 38.01(c)	3 417	-
	Correction of Accumulated Depreciation Other Assets Opening balance see note 38.01 (d)	28 071	28 071
	Correction of Accumulated Depreciation Other Assets 2013/14 see note 38.01(d)	4 046	-
	Correction of Accumulated Depreciation Other assets 2013/14 see note 38.01 (e)	999	-
	Correction of Other Assets Accumulated Depreciation Opening balance see note 38.01(f)	(79 335)	(79 335)
	Correction of Other Assets Accumulated Depreciation 2013/14 see note 38.01 (f)	(36 911)	-
	Restated Balance	95 852 663	87 743 757
38.04	Payables from Exchange Transactions		
	Balance previously reported	19 628 944	30 248 394
	Correction of Payables from Exchange Transactions Opening balance see note 38.01 (g)	762 594	762 594
	Correction of Payables from Exchange Transactions Opening balance see note 38.01(h)	85 385	85 385
	Correction of Payables from Exchange Opening balance see note 38.01(m)	313 746	313 746
	Correction of Payables from Exchange 2013/14 see note 38.01(n)	23 916	-
	Restated Balance	20 814 585	31 410 120
38.05	Taxes		
	Balance previously reported	(1 002 209)	1 248 175
	Correction of Taxes Opening balance see note 38.01(i)	269 874	269 874
	Correction of Taxes Opening balance see note 38.01(j)	235 168	-
	Restated Balance	(497 168)	1 518 048
38.06	Receivables from Exchange Transactions		
	Balance Previously Reported	23 479 480	19 886 897
	Correction of Receivables from Exchange Transactions Opening balance see note 38.01(i)	(7 849 815)	(7 849 815)
	Correction of Receivables from Exchange Transactions Opening balance see note 38.01(j)	(4 916 625)	-
	Restated Balance	10 713 039	12 037 082
38.07	Receivables from Non-Exchange Transactions		
	Balance previously reported	4 406 732	3 867 434
	Correction of Receivables from Non-Exchange Transactions Opening balance see note 38.01(i)	(1 955 923)	(1 955 923)
	Correction of Receivables from Non-Exchange Transactions Opening balance see note 38.01(j)	837 067	-
	Restated Balance	3 287 876	1 911 511
38.08	Inventory		
	Balance previously reported	474 040	1 104 583
	Correction of Inventory 2013/14 see note 38.01(k)	39 230	-
	Correction of Inventory Opening balance - see note 38.01(l)	(102 059)	(102 059)
	Restated Balance	411 211	1 002 524
38.09	Investment Property		
	Balance previously reported	60 275 150	56 490 950
	Correction of Investment Property Opening balance see note 38.01(o)	879 720	879 720
	Correction of Investment Property 2013/14 balance see note 38.01(o)	61 680	-
	Correction of Investment Property Opening balance see note 38.01(p)	997 650	997 650
	Correction of Investment Property 2013/14 balance see note 38.01(p)	247 800	-
	Correction of Investment Property Opening balance see note 38.01(q)	(32 000)	(32 000)
	Correction of Investment Property 2013/14 balance see note 38.01(q)	(51 600)	-
	Correction of Investment Property Opening balance see note 38.01(r)	153 250	153 250
	Correction of Investment Property 2013/14 balance see note 38.01(r)	66 500	-
	Correction of Investment Property 2013/14 balance see note 38.01(s)	(219 750)	-
	Restated Balance	62 378 400	58 489 570

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
39 RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY OPERATIONS		
Surplus for the year	44 973 801	24 117 806
Adjustments for:		
Depreciation and Amortisation	11 335 691	8 883 023
Gain on disposal of property, plant and equipment	-	(779 177)
Finance Charges - Landfill Sites	1 893 759	1 653 979
Grants received	71 011 751	77 432 976
Grants recognised as revenue	(75 891 800)	(72 592 936)
Debt Impairment	10 764 139	8 993 754
Bad Debts Written off	(4 562 763)	(3 590 769)
Contribution from/to employee benefits - non-current	3 581 475	3 172 750
Contribution from/to employee benefits - non-current - expenditure incurred	(1 332 145)	(991 741)
Actuarial Losses	1 881 691	970 426
Actuarial Gains	(67 468)	-
Contribution to employee benefits – current	4 992 517	4 590 405
Contribution to employee benefits – current - expenditure incurred	(4 405 065)	(4 187 159)
Surplus recognised on changes in landfill site provision estimates	(1 918 847)	(523 981)
Impairment reversal	(59 781)	(23 019)
Operating lease income accrued	7 254	1 073
Loss on disposal of Property, Plant and Equipment	216 229	606 033
Fair value adjustments	(3 591 431)	(3 318 824)
Contribution Property Plant and Equipment	(11 937 431)	-
Operating Surplus before changes in working capital	46 891 576	44 414 620
Changes in working capital	(6 450 081)	(13 965 169)
Increase/(Decrease) in Payables from Exchange Transactions	3 041 903	(10 595 534)
Increase/(Decrease) in Taxes	(222 866)	2 015 215
(Increase)/Decrease in Inventory	(13 354)	489 344
Increase in Receivables from Exchange Transactions	(6 718 749)	(4 549 385)
Increase in Receivables from Non-Exchange Transactions	(2 537 015)	(1 324 809)
Cash generated by operations	40 441 496	30 449 451
40 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Cash Floats - Note 18	6 150	6 800
Bank - Note 18	10 726 798	3 442 099
Bank Overdraft - Note 18	-	(750 056)
Total cash and cash equivalents	10 732 948	2 698 843
41 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 40	10 732 948	2 698 843
Less:	6 447 587	6 707 663
Unspent Committed Conditional Grants - Note 8	1 458 883	6 338 933
VAT Payable - Note 9	378 704	368 731
Capital Replacement Reserve	4 610 000	-
Net cash resources available for internal distribution/(resources utilised for internal distribution)	4 285 361	(4 008 821)
42 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - note 2	30 222 810	34 528 602
Used to finance property, plant and equipment - at cost	(30 222 810)	(34 528 602)
Cash invested for repayment of long-term liabilities	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Incident	Disciplinary steps/criminal proceedings
<i>Over expenditure on votes</i>	<i>None</i>
<i>Utilisation of grant monies for operational expenditure</i>	<i>None</i>

Opening balance	-	613 189
Fruitless and wasteful expenditure current year	-	-
Condoned by Council on 26 June 2014	-	(613 189)
Transfer to receivables for recovery	-	-
	<hr/>	<hr/>
Fruitless and wasteful expenditure awaiting further action	-	-

Incident	Disciplinary steps/criminal proceedings
<i>SARS interest and penalties relating to VAT</i>	<i>None</i>

Opening balance	-	39 081 620
Irregular expenditure current year	-	-
Condonement supported by Council on 26 June 2014	-	(39 081 620)
Transfer to receivables for recovery	-	-
Condonement supported by council	-	-
Irregular expenditure awaiting further action	-	-

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

There were no material water distribution losses during the current and previous financial year.

- Units purchased (Kwh)	81 975 912	80 090 501
- Units lost during distribution (Kwh)	13 604 779	16 173 480
- Percentage lost during distribution	16.60%	20.19%

Electricity losses decreased during 2015 financial year due to auditing and installation of new bulk meters

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R			
43.5 Non-Material Losses					
Water distribution losses					
- Kilo litres purchased	3 911 821	4 059 156			
- Kilo litres lost during distribution	377 596	410 907			
- Percentage lost during distribution	9.65%	10.12%			
44 Additional disclosures in terms of Municipal Financial Management Act					
44.1 Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS					
Opening balance	-	-			
Council subscriptions	773 521	701 064			
Amount paid - current year	(773 521)	(701 064)			
Amount paid - previous years	-	-			
Balance unpaid (included in creditors)	-	-			
44.2 Audit fees - [MFMA 125 (1)(b)]					
Opening balance	-	-			
Current year audit fee	1 792 274	1 648 425			
External Audit - Auditor-General	1 741 199	1 648 425			
Audit Committee	51 075	-			
Amount paid - current year	(1 792 274)	(1 648 425)			
Amount paid - previous year	-	-			
Balance unpaid (included in creditors)	-	-			
44.3 VAT - [MFMA 125 (1)(b)]					
Opening balance	(368 731)	(389 596)			
Amounts received - current year	(1 017 236)	(3 072 826)			
Amounts paid - current year	1 828 067	951 835			
Amounts (received)/paid - previous years	368 731	389 596			
Amounts claimed - current year	(1 189 534)	1 752 260			
Closing balance - (Payable)/Receivable	(378 703)	(368 731)			
VAT in suspense due to cash basis of accounting					
Input VAT	1 871 968	1 142 259			
Output VAT	(1 190 498)	(1 270 695)			
Claimable	681 470	(128 436)			
VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.					
44.4 PAYE, SDL and UIF - [MFMA 125 (1)(b)]					
Opening balance	714 506	-			
Current year payroll deductions and Council Contributions	10 018 386	8 736 318			
Amount paid - current year	(10 732 892)	(8 021 812)			
Balance unpaid (included in creditors)	-	714 506			
44.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]					
Opening balance	-	-			
Current year payroll deductions and Council Contributions	19 275 340	17 516 896			
Amount paid - current year	(19 275 340)	(17 516 896)			
Balance unpaid (included in creditors)	-	-			
44.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]	Outstanding more than 90 days	Outstanding more than 90 days			
The following Councillors had arrear accounts for more than 90 days during the financial year.					
Councillor F Bam	772	-			
Councillor EL Mqongqi	38 558	45 958			
Councillor M J Smith	626	1 127			
Councillor C v/d Westruis	-	734			
Councillor A Sindiyamba	-	594			
Councillor R Stephan	1 973	1 482			
Councillor PG Bok	-	1 712			
Total Councillor Arrear Consumer Accounts	41 929	51 608			
44.7 Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation (36)(1)(a) & (b)					
	Two Suppliers R	Single Supplier R	Sec 5.27 R	Emergency R	Total R
Jul-14	19 821	286 319	159 037	2 444	467 620
Aug-14	60 533	288 723	112 783	22 934	484 973
Sep-14	101 365	216 718	33 294	23 671	375 048
Oct-14	90 056	115 102	145 278	27 987	378 423
Nov-14	107 693	274 438	24 008	57 644	463 784
Dec-14	54 116	249 070	556 893	2 182	862 261
Jan-15	23 950	220 867	37 401	10 250	292 469
Feb-15	98 940	351 626	327 136	14 798	792 499
Mar-15	36 162	424 275	418 281	30 441	909 159
Apr-15	43 576	188 368	237 697	2 272	471 913
May-15	59 492	471 494	232 235	42 337	805 557
Jun-15	159 184	436 752	603 828	-	1 199 764
	854 888	3 523 752	2 887 870	236 960	7 503 469

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 R	2014 R
45 CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure:		
Approved and contracted for:		
Infrastructure	2 992 976	6 191 668
	2 992 976	6 191 668
This expenditure will be financed from:		
Government Grants	2 992 976	6 191 668
	2 992 976	6 191 668

46 FINANCIAL RISK MANAGEMENT

The activities of the Municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The Municipality does not engage in foreign currency transactions.

(b) Price risk

The Municipality is not exposed to price risk.

(c) Interest Rate Risk

As the Municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The Municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The Municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

1% (2014 - 1.0%) Increase in interest rates	99 613	17 162
0.5% (2014 - 0.5%) Decrease in interest rates	(49 806)	(8 581)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 15 and 16 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

Receivables of R4 million are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 15 and 16 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

	2015 %	2015 R	2014 %	2014 R
The provision for debt impairment could be allocated between the different classes of debtors as follows:				
<u>Non-Exchange Receivables</u>				
Rates	11.27%	4 861 774.00	10.16%	3 695 578
Fines	2.80%	1 208 184	0.57%	208 260
Long Term Receivables	1.25%	537 301	3.05%	1 109 431
	15.31%	6 607 259	13.79%	5 013 270
<u>Exchange Receivables</u>				
Service Charges	84.69%	36 535 776	86.21%	31 351 323
	100.00%	43 143 035	100.00%	36 364 592

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 %	2015 R	2014 %	2014 R
The provision for debt impairment could be allocated between the different categories of debtors as follows:				
Water	13.35%	5 731 402	11.78%	4 285 523
Electricity	2.30%	985 554	2.79%	1 016 077
Rates	7.24%	3 107 137	7.31%	2 658 387
Rental	0.68%	289 944	0.77%	280 782
Refuse	15.16%	6 508 401	13.44%	4 889 175
Sewerage	18.82%	8 079 858	18.56%	6 749 987
Other exchange	28.59%	12 273 522	32.36%	11 765 922
Loans	1.25%	537 301	1.42%	515 753
Other debtors	0.00%	-	1.63%	593 678
Fines	2.33%	999 924	0.57%	208 260
Top 50 debtors	9.27%	3 979 704	8.24%	2 997 743
Indigent debtors	1.03%	442 030	1.11%	403 304
	100.00%	42 934 775	100.00%	36 364 592

Bad debts written off per financial asset class:

	2015 %	2015 R	2014 %	2014 R
Financial instruments at amortised cost	100.00%	4 562 763	100.00%	3 590 769
	100.00%	4 562 763	100.00%	3 590 769

Balances past due not impaired:

	2015 %	2015 R	2014 %	2014 R
<u>Non-Exchange Receivables</u>				
Rates	-	-	1%	14 659
	-	-	1%	14 659
<u>Exchange Receivables</u>				
Service Charges	100%	3 239 945	99%	2 673 646
	100%	3 239 945	100%	2 688 305

As at 30 June 2015, trade receivables of R 10 744 051 (2014: R9 711 642) were fully performing

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables, Receivables from Exchange Transactions and Receivables from Non-Exchange Transactions are individually evaluated annually at year end for impairment.

	2015 R	2014 R
Financial assets exposed to credit risk at year end are as follows:		
Long-term receivables	537 301	515 754
Receivables from exchange transactions	12 247 335	10 713 040
Receivables from non-exchange transactions	3 658 770	3 287 875
Cash and Cash Equivalents	10 732 948	3 448 899
	27 176 354	17 965 568

(e) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The Municipality manages liquidity risk through an on-going review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 2 and 5 years	Between 6 and 10 years	Over 10 years
2015				
Non-current Provisions	-	19 662 971	17 477 991	37 943 038
Capital		15 721 579	11 027 894	17 052 997
Interest		3 941 391	6 450 097	20 890 041
Long Term liabilities	7 736 463	28 155 851	18 267 760	-
Payables from Exchange Transactions	19 902 126	-	-	-
Unspent conditional government grants and receipts	1 458 883	-	-	-
	29 097 471	47 818 822	35 745 751	37 943 038
2014				
Non-current Provisions	-	12 613 363	23 838 972	23 505 971
Capital	-	10 305 680	15 436 872	10 409 224
Interest	-	2 307 683	8 402 100	13 096 747
Long Term liabilities	9 788 445	32 901 228	20 986 499	-
Payables from Exchange Transactions	17 398 622	-	-	-
Unspent conditional government grants and receipts	6 338 933	-	-	-
	33 525 999	45 514 591	44 825 471	23 505 971

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

				2015 R	2014 R
47	FINANCIAL INSTRUMENTS				
	In accordance with GRAP 104 the financial instruments of the Municipality are classified as follows:				
47.1	Financial Assets				
	Financial instruments at amortised cost				
	Long-Term Receivables			154 669	159 969
	Receivables from exchange transactions			12 247 335	10 713 040
	Current Portion of Long-term Receivables			382 632	355 785
	Cash and Cash Equivalents			10 732 948	3 448 899
	Total carrying amount of financial assets			23 517 584	14 677 692
47.2	Financial Liability				
	Financial instruments at amortised cost				
	Long-term Liabilities			30 222 810	34 528 602
	Payables from exchange transactions			23 541 372	20 502 570
	Unspent Conditional Government Grants and Receipts			1 458 883	6 338 933
	Current Portion of Long-term Liabilities			4 291 407	6 013 185
	Cash and Cash Equivalents			-	750 056
				59 514 472	68 133 346
48	STATUTORY RECEIVABLES				
	In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:				
	Taxes				
	Vat Receivable			302 766	-
	Receivables from Non-Exchange Transactions			4 227 137	3 174 889
	Rates				
	Fines			3 452 585	3 067 399
				774 552	107 490
				8 757 040	3 174 889
49	EVENTS AFTER THE REPORTING DATE				
	No such instances				
50	IN-KIND DONATIONS AND ASSISTANCE				
	The Municipality did not receive any in-kind donations or assistance during the year under review.				
51	PRIVATE PUBLIC PARTNERSHIPS				
	Council has not entered into any private public partnerships during the financial year.				
52	CONTINGENT LIABILITIES				
	Attorneys of the municipality, Bradley Conradie Attorneys are busy with an application in the Labour Court, Cape Town to set aside the SALGBC Arbitration award / ruling in 2013/14 in favour of applicant, Ms N Majordana and the municipality might potentially be liable costs of around R77 279 which includes R50 000 in legal fees.				
	The municipality commenced in the latter part of 2013/14 with the audit (moderation) of the outcome of 25 job descriptions being appealed with the potential of either higher or lower task gradings. It must be stressed that this process of appeals were allowed by management contrary to the fact that the Collective Agreement did not make provision for such appeals and or re-evaluation of job descriptions. The audit could potentially be finalised during the 2015/16 financial year by the Western Cape Audit Committee and not Deloitte anymore of which the outcome is unknown and management not being able to place a value to the appeal outcomes and cannot and will only provide for the expenditure in a subsequent budget when such outcome is known.				
53	RELATED PARTIES				
53.1	Related Party Loans				
	Since 1 July 2004 loans to councillors and senior management employees are not permitted.				
53.2	Compensation of key management personnel				
	The compensation of key management personnel is set out in note 27 to the Annual Financial Statements.				
53.3	Other related party transactions				
	The following purchases were made during the year where Councillors or staff have an interest:				
				2015 R	2014 R
Supplier	Relationship	Department	Position		
Autopage Cellular	Owner: Husband - Lize Kleinhans	Finance	Accountant: Salaries	448 854	384 484
Compu Traders	Owner: Son - E Mouton	Local Economic Development	Public Relations Officer	1 338	-
HD Meyer	Owner: Husband - Heleen Meyer	Finance	Accountant: SCM + Expenditure	-	5 985
K C Verkoeling	Owner: Husband - Liefie van Wyk	Finance	Accountant: Income	-	7 067
MAC Daries	Owner: Daughter - Michinon	Finance	Cashier	23 096	-
Sunfox	Owner: Daughter - Michinon	Finance	Cashier	21 528	-
Total				494 816	397 537

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

54 EXPLANATORY NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL

54.1 COMPARISON OF ACTUAL FIGURES vs THE FINAL BUDGET

Statement of Financial Position**Current Assets:**

Cash	Cash position of the Municipality improved throughout
Consumer debtors	The Bad Debt Provision was adjusted upwards in the 2015 financial year to provide more accurately for receivable
Other Receivables	Include in actual amount is Taxes receivable not budgeted for
Inventory	Water inventory was more than anticipated during budget compilation

Non current assets

Intangible Assets	Depreciation on Intangible assets not taken into account
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Current liabilities

Borrowing	Long Term Liabilities maturing was not taken into account when budget was prepared
Consumer deposits	Growth in consumer deposits was not budgeted for
Trade and other payables	Trade and Other payables are more than anticipated at year end, and includes Unspent Grants not budgeted
Provisions and Employee Benefits	This includes short term portion of Landfill site, not budgeted

Community Wealth

Reserves	The actual includes a contribution towards CRR, which was not budgeted for.
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Statement of Financial Performance - Revenue

Rental of facilities and equipment	Due to the economic climate the rentals at facilities etc., were less than anticipated
Interest earned - external investments	Interest on positive bank was more than anticipated. Cash position of the municipality improved in 2015/16
Interest earned - outstanding debtors	Debt Collection measures were stricken and interest levied on all outstanding debt.
Fines	Total Fines issued were more than anticipated and adjusted according to iGrap1
Licences and permits	License and permits were over estimated during the budget process
Other income	Included is Fair Value adjustments and assets contributed from Department of Land Reforms and Namakwa Sands
Gain on disposal of Property, Plant and Equipment	Sold properties were not paid during the 2015 financial year, tender processes were delayed and payment will commence in 2016

Statement of Financial Performance - Expenditure

Debt impairment	Debt Impairment Provision was recalculated on individual bases, and restated in previous financial year. This resulted in a smaller contribution than
Contracted services	Service provider for Speed Camera fines were newly appointed and payments have not yet commenced
General Expenses	General expenses lower due to strict cash management and cost saving measures being implemented
Loss on disposal of Property, Plant and Equipment	The Loss on disposal of PPE is due to the Other assets written off during the year. This was not budgeted

Cash Flow Statement**Receipts:**

Government - operating	Underperformance on the Provincial Transfers published in the 2014-15 Government Gazette, application for roll-over to 2015-16 was done.
Interest	Actual Interest includes interest levied on outstanding debtors.
Proceeds on disposal of Assets	Tenders were awarded during the last quarter of the financial year, deposits were paid and full payment will only commence in 2015/16 financial year. This also included an industrial property for which environmental impact study is in process

Payments:

Capital assets	Underperformance due to the underspending on the INEP Grant, and the National Transfers withheld during 2014-15 not budgeted for.
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54.2 COMPARISON OF ADJUSTMENTS BUDGET vs APPROVED BUDGET

Statement of Financial Position**Current Assets:**

Cash	Budget was adjusted to be in line with the final audited AFS 2014
Other Receivables	Budget was adjusted to be in line with the final audited AFS 2014
Current portion of long-term receivables	Budget was adjusted to be in line with the final audited AFS 2014
Inventory	Budget was adjusted to be in line with the final audited AFS 2014

Non current assets:

Long-term receivables	Budget was adjusted to be in line with the final audited AFS 2014
Intangible Assets	Budget was adjusted to be in line with the final audited AFS 2014

Current liabilities:

Borrowing	Repayments were brought in line with the approved Amortisation tables
Trade and other payables	Budget was adjusted to be in line with the final audited AFS 2014

Non current liabilities

Non-Current Provisions and Employee Benefits	Budget was adjusted to be in line with the final audited AFS 2014 and Actuarial Reports issued
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Statement of Financial Performance - Revenue

Interest earned - external investments	Budget was adjusted upwards based on actual forecasted figures more than originally budgeted.
Fines	Fines budgeted brought in line with iGRAP1 - total fines issued must be recognized as revenue.
Government Grants and Subsidies - Operating	Transfers from Provincial Housing Department was excluded from budget as funds are directly paid to the contractor
Other revenue	Included in Adjustment Budget is Admin fees payable by Library Services to the municipality

Statement of Financial Performance - Expenditure

Debt impairment	Included now is the iGRAP 1 contribution to impairment of Fines
Depreciation & asset impairment	Adjusted upwards to be in line with the actual audited AFS 2014 and actual capital additions

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Cash Flow Statement

Receipts:

Government - operating	The Integrated Housing grant was excluded from the budget as no funds will be transferred directly to the municipality
Government - capital	Approval granted for the unspent MIG 2014 roll-over, and budgeted accordingly. Also included is additional Provincial Transfers as shown in the Adjusted Government Gazette
Interest	Interest earned budget adjusted upwards based on actual trend for the first half of the financial year
Decrease/(increase) in non-current receivables	Amount adjusted to be in line with actual audited 2014 AFS

Payments:

Finance charges	Finance Charges adjusted downwards as it included non-cash items in original budget
Capital assets	Approval granted for the unspent MIG 2014 roll-over, and budgeted accordingly. Also included is additional Provincial Transfers as shown in the Adjusted Government Gazette
Repayment of borrowing	Capital repayment brought in line with amortisation tables of external loans

55

FINANCIAL SUSTAINABILITY

Management is of the opinion that the Municipality will continue to operate as a going concern and perform its functions as set out in the Constitution.

Financial Indicators

The current ratio improved to 0.67:1 from 0.41:1 in the prior year.

The municipality has budgeting for positive cash flows during 2015/2016 and 2016/2017 amounting to R11 402 000 and R 2 408 000 respectively.

The payables on exchanges transactions increased from 2013/2014 to 2014/15 with R3 041 903

Other Indicators

Possible outflow of recourses due the contingent liabilities disclosed in note 51

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

10 PROPERTY, PLANT AND EQUIPMENT

30 JUNE 2015

Reconciliation of Carrying Value

	COST								Accumulated Depreciation and Impairment Losses					Carrying Value
	Opening Balance	Additions	Revaluation	Contributing PPE	Under Construction	Transfers from/to inventory	Disposals	Closing Balance	Opening Balance	Depreciation Charge	Disposals	Impairments	Closing Balance	
	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Land and Buildings	48 802 562	222 763	-	3 907 895	-	-	-	52 933 219	2 637 522	371 589	-	-	3 009 111	49 924 108
Land	14 250 082	-	-	-	-	-	-	14 250 082	-	-	-	-	-	14 250 082
Buildings	34 552 480	222 763	-	3 907 895	-	-	-	38 683 137	2 637 522	371 589	-	-	3 009 111	35 674 026
Infrastructure	362 308 381	18 941 674	-	8 029 534	10 753 885	-	(447 401)	399 586 071	78 018 656	8 436 050	-	(59 781)	86 394 924	313 191 147
Storm water and Roads	90 460 718	6 916 618	-	-	-	-	-	97 377 336	18 020 896	2 230 133	-	-	20 251 029	77 126 307
Sewerage	147 884 298	1 313 638	-	5 079 781	10 753 885	-	-	165 031 602	17 223 275	2 454 947	-	-	19 677 622	145 353 979
Electricity	40 612 793	1 204 209	-	-	-	-	-	41 817 002	13 203 011	2 565 856	-	-	15 768 868	26 048 134
Water	69 603 791	1 216 459	-	2 949 752	-	-	-	73 770 002	17 928 788	980 328	-	-	18 909 116	54 860 886
Solid Waste Disposal	199 887	-	-	-	-	-	-	199 887	91 948	11 993	-	-	103 941	95 946
Landfill Sites	13 546 894	8 290 750	-	-	-	-	(447 401)	21 390 242	11 550 738	193 391	-	(59 781)	11 684 348	9 705 894
Community Assets	96 532 352	5 297 164	-	-	-	-	-	101 829 516	4 093 721	518 732	-	-	4 612 453	97 217 063
Parks and Gardens	21 696 180	-	-	-	-	-	-	21 696 180	59 759	9 899	-	-	69 658	21 626 522
Libraries	982 531	990 789	-	-	-	-	-	1 973 320	111 361	10 978	-	-	122 339	1 850 981
Recreation Grounds	39 497 696	4 166 177	-	-	-	-	-	43 663 873	1 819 681	213 045	-	-	2 032 726	41 631 147
Taxi Ranks & Parking Areas	5 252 600	-	-	-	-	-	-	5 252 500	75 398	10 810	-	-	86 208	5 166 292
Cemeteries	685 000	-	-	-	-	-	-	685 000	1 470	210	-	-	1 680	683 320
Community Buildings	28 418 445	140 197	-	-	-	-	-	28 558 643	2 026 052	273 790	-	-	2 299 842	26 258 801
Other Assets	24 180 027	875 060	-	-	-	-	(870 885)	24 184 203	11 102 765	1 959 157	(654 656)	-	12 407 266	11 776 937
Office Equipment	3 492 345	227 646	-	-	-	-	(112 470)	3 607 521	1 820 046	255 707	(74 861)	-	2 000 892	1 606 629
Motor vehicles	18 277 085	477 706	-	-	-	-	(632 934)	18 121 857	8 138 990	1 489 835	(499 709)	-	9 129 116	8 992 741
Plant & Equipment	2 130 682	118 507	-	-	-	-	(111 373)	2 137 816	1 066 548	183 681	(76 693)	-	1 173 536	964 280
Computer equipment	279 915	51 201	-	-	-	-	(14 108)	317 009	77 181	29 934	(3 393)	-	103 722	213 287
	531 823 321	25 336 660	-	11 937 428	10 753 885	-	(1 318 286)	578 533 009	95 852 664	11 285 527	(654 656)	(59 781)	106 423 754	472 109 255

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

The effect of the Change in Accounting estimates due to the review of useful lives and residual values is as follows:

Increase / (Decrease) in depreciation on other assets for the year
Increase / (Decrease) in depreciation on infrastructure assets for the year

	2015 R	2016 R	2017 R
	(314 236)	(360 653)	(252 464)
	11 853	(13 121)	(4 790)
	(302 383)	(373 774)	(257 254)

The change in accounting estimate for Other assets in 2016 and 2017, are based on the assumption that the residual values will stay the same.

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 JUNE 2014

Reconciliation of Carrying Value

Reconciliation of Carrying Value	COST								Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Additions	Revaluation	Contributing PPE	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	Depreciation Charge	Disposals	Impairments	Closing Balance		
	R	R	R	R	R	R	R	R	R	R	R	R	R		
Land and Buildings	48 360 859	526 890	908 000	-	-	(993 187)	-	48 802 562	2 280 992	356 530	-	-	2 637 522	46 165 040	
Land	14 235 269	100 000	908 000	-	-	(993 187)	-	14 250 082	-	-	-	-	-	14 250 082	
Balance Previously Reported	12 360 020	100 000	908 000	-	-	(993 187)	-	12 374 833	-	-	-	-	-	12 374 833	
Correction of Error 38.01 (b)	1 875 249	-	-	-	-	-	-	1 875 249	-	-	-	-	-	1 875 249	
Buildings	34 125 590	426 890	-	-	-	-	-	34 552 480	2 280 992	356 530	-	-	2 637 522	31 914 958	
Balance Previously Reported	29 393 289	426 890	-	-	-	-	-	29 820 179	1 997 054	309 207	-	-	2 306 261	27 513 918	
Correction of Error 38.01 (b)	4 732 301	-	-	-	-	-	-	4 732 301	283 938	47 323	-	-	331 261	4 401 040	
Infrastructure	341 199 116	19 391 682	-	-	1 884 209	-	(166 625)	362 308 381	72 083 840	5 957 835	-	(23 019)	78 018 656	284 289 725	
Storm water and Roads	81 211 197	7 365 313	-	-	1 884 209	-	-	90 460 718	16 207 708	1 813 189	-	-	18 020 896	72 439 822	
Balance Previously Reported	81 211 197	7 365 313	-	-	1 884 209	-	-	90 460 718	19 099 597	2 341 685	-	-	21 441 282	69 019 436	
Correction of Error see note 38.01(a)	-	-	-	-	-	-	-	-	(2 891 890)	(528 496)	-	-	(3 420 386)	3 420 386	
Sewerage	138 437 595	9 446 702	-	-	-	-	-	147 884 298	15 421 554	1 801 722	-	-	17 223 275	130 661 022	
Balance Previously Reported	138 437 595	9 446 702	-	-	-	-	-	147 884 298	20 930 937	3 325 344	-	-	24 256 281	123 628 016	
Correction of Error see note 38.01(a)	-	-	-	-	-	-	-	-	(5 509 384)	(1 523 622)	-	-	(7 033 006)	7 033 006	
Electricity	38 711 847	1 900 946	-	-	-	-	-	40 612 793	11 969 027	1 233 984	-	-	13 203 011	27 409 782	
Balance previously reported	38 711 847	1 900 946	-	-	-	-	-	40 612 793	9 488 499	1 251 170	-	-	10 739 669	29 873 124	
Correction of Error see note 38.01(a)	-	-	-	-	-	-	-	-	2 480 528	(17 186)	-	-	2 463 342	(2 463 342)	
Water	68 983 856	619 935	-	-	-	-	-	69 603 791	17 037 821	890 967	-	-	17 928 788	51 675 003	
Balance previously reported	68 983 856	619 935	-	-	-	-	-	69 603 791	26 368 584	1 476 983	-	-	27 845 566	41 758 225	
Correction of Error see note 38.01(a)	-	-	-	-	-	-	-	-	(9 330 763)	(586 015)	-	-	(9 916 778)	9 916 778	
Solid Waste Disposal	199 887	-	-	-	-	-	-	199 887	79 955	11 993	-	-	91 948	107 939	
Balance previously reported	199 887	-	-	-	-	-	-	199 887	66 606	12 116	-	-	78 723	121 164	
Correction of Error see note 38.01(a)	-	-	-	-	-	-	-	-	13 349	(123)	-	-	13 225	(13 225)	
Landfill Sites	13 654 733	58 786	-	-	-	-	(166 625)	13 546 894	11 367 776	205 981	-	(23 019)	11 550 738	1 996 156	
Community Assets	92 509 287	2 537 711	101 400	-	2 583 354	(1 184 400)	(15 000)	96 532 352	3 598 090	495 631	-	-	4 093 721	92 438 631	
Parks and Gardens	22 794 180	-	101 400	-	-	(1 184 400)	(15 000)	21 696 180	47 373	12 386	-	-	59 759	21 636 421	
Libraries	880 861	101 670	-	-	-	-	-	982 531	101 378	9 983	-	-	111 361	871 170	
Recreation Grounds	34 478 300	2 436 041	-	-	2 583 354	-	-	39 497 696	1 631 254	188 428	-	-	1 819 681	37 678 014	
Balance previously reported	33 812 600	2 436 041	-	-	2 583 354	-	-	38 831 996	1 625 808	187 521	-	-	1 813 329	37 018 667	
Correction of Error see note 38.01(c)	665 700	-	-	-	-	-	-	665 700	5 445	907	-	-	6 352	659 348	
Taxi Ranks and Parking Areas	5 252 500	-	-	-	-	-	-	5 252 500	64 590	10 808	-	-	75 398	5 177 102	
Cemeteries	685 000	-	-	-	-	-	-	685 000	1 260	210	-	-	1 470	683 530	
Balance previously reported	680 500	-	-	-	-	-	-	680 500	1 260	210	-	-	1 470	679 030	
Correction of Error see note 38.01(c)	4 500	-	-	-	-	-	-	4 500	-	-	-	-	-	4 500	
Community Buildings	28 418 445	-	-	-	-	-	-	28 418 445	1 752 235	273 817	-	-	2 026 052	26 392 394	
Balance previously reported	28 162 746	-	-	-	-	-	-	28 162 746	1 737 176	271 307	-	-	2 008 483	26 154 263	
Correction of Error see note 38.01(c)	255 699	-	-	-	-	-	-	255 699	15 059	2 510	-	-	17 569	238 130	
Other Assets	25 181 066	103 303	-	-	-	-	(1 104 341)	24 180 027	9 780 837	2 022 861	(700 933)	-	11 102 785	13 077 262	
Office Equipment	3 918 893	3 509	-	-	-	-	(430 056)	3 492 345	1 750 383	322 071	(252 407)	-	1 820 046	1 672 299	
Balance previously reported	3 890 342	3 509	-	-	-	-	(432 939)	3 460 912	1 738 343	320 457	(253 406)	-	1 805 393	1 655 519	
Correction of Error see note 38.01(d)	41 071	-	-	-	-	-	-	41 071	17 284	2 550	-	-	19 834	21 237	
Correction of Error see note 38.01 (e)	-	-	-	-	-	-	2 882	2 882	-	0	999	-	999	1 883	
Correction of Error see note 38.01 (f)	(12 520)	-	-	-	-	-	(12 520)	(12 520)	(5 244)	(937)	-	-	(6 181)	(6 340)	
Motor vehicles	18 771 755	-	-	-	-	-	(494 670)	18 277 085	6 991 704	1 475 107	(327 821)	-	8 138 990	10 138 095	
Balance previously reported	18 835 255	-	-	-	-	-	(494 670)	18 340 585	7 004 418	1 503 717	(327 821)	-	8 180 314	10 160 271	
Correction of Error see note 38.01 (f)	(63 500)	-	-	-	-	-	-	(63 500)	(12 714)	(28 610)	-	-	(41 324)	(22 176)	
Plant & Equipment	2 304 033	-	-	-	-	-	(173 351)	2 130 682	983 290	201 180	(117 922)	-	1 066 548	1 064 134	
Balance previously reported	2 390 597	-	-	-	-	-	(173 351)	2 217 245	1 041 016	208 006	(117 922)	-	1 131 100	1 086 146	
Correction of Error see note 38.01(d)	6 055	-	-	-	-	-	-	6 055	2 422	363	-	-	2 785	3 270	
Correction of Error see note 38.01 (f)	(92 619)	-	-	-	-	-	-	(92 619)	(60 148)	(7 189)	-	-	(67 337)	(25 282)	
Computer equipment	186 384	99 794	-	-	-	-	(6 264)	279 915	55 460	24 504	(2 783)	-	77 181	202 733	
Balance previously reported	173 684	99 794	-	-	-	-	(6 264)	267 215	48 324	23 546	(2 783)	-	69 088	198 127	
Correction of Error see note 38.01(d)	14 807	-	-	-	-	-	-	14 807	8 365	1 133	-	-	9 498	5 309	
Correction of Error see note 38.01 (f)	(2 107)	-	-	-	-	-	-	(2 107)	(1 229)	(175)	-	-	(1 405)	(702)	
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	507 250 327	22 559 586	1 009 400		4 467 563	(2 177 587)	(1 285 967)	531 823 321	87 743 758	8 832 858	(700 933)	(23 019)	95 852 664	435 970 658	

APPENDIX A
MATZIKAMA MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2015

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2014	Balance at 30 JUNE 2014 Restated	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2015
ANNUITY LOANS								
DBSA	10.00%	10096	2015	181 801	181 801	-	181 801	-
DBSA	9.92%	101953	2015	555 559	555 559	-	555 559	-
DBSA	12.27%	102857	2018	1 777 778	1 777 778	-	444 444	1 333 333
DBSA	6.75%	103143(1)	2016	393 520	393 520	-	257 921	135 600
DBSA	6.75%	103143(2)	2018	1 253 208	1 253 208	-	246 736	1 006 472
DBSA	11.14%	103749	2020	10 839 279	10 839 279	-	1 355 573	9 483 706
DBSA	8.57%	WC12007362.1	2021	9 736 308	9 736 308	-	237 144	9 499 164
DBSA	8.57%	WC12007362.2	2031	984 979	984 979	-	95 902	889 077
DBSA	8.82%	1007262	2022 / 2027	11 941 519	11 941 519	-	1 030 633	10 910 885
INCA - Water and Sewerage	9.85%	3156	2015	479 379	479 379	-	479 379	-
ABSA - Water Scheme	9.77%	40-6255-0510	2015	447 260	447 260	-	447 260	-
ABSA - Capital Works 2005/2006	9.15%	40-6512-9293	2016	968 523	968 523	-	484 219	484 304
ABSA - Capital Works 2008/2009	Prime - 2%	40-7292-9600	2018	982 676	982 676	-	211 000	771 676
Total Annuity Loans				40 541 787	40 541 787	-	6 027 570	34 514 217

APPENDIX B
MATZIKAMA MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description			Operating Expenditure during the year	Capital Expenditure during the year	Repaid to National/Provincial Revenue fund	Balance 30 JUNE 2015	Unspent 30 JUNE 2015 (Creditor)	Unpaid 30 JUNE 2015 (Debtor)
	Balance 1 JULY 2014 R	Contributions during the year R	Transferred to Revenue R	Transferred to Revenue R	R	R	R	R
UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS								
<u>National Government Grants</u>								
Equitable Share	-	39 922 000	(39 922 000)	-	-	-	-	-
Department of Mineral Resources	-	1 500 000	-	(1 085 272)	-	414 728	414 728	-
FMG	-	1 450 000	(1 450 000)	-	-	-	-	-
MIG	4 597 482	20 089 000	-	(22 060 482)	(2 626 000)	-	-	-
MSIG	-	934 000	(663 244)	(95 988)	-	174 768	174 768	-
Neighbourhood Development	369 388	311 000	-	(310 999)	-	369 389	369 389	-
EPWP	-	1 201 000	(1 201 000)	-	-	-	-	-
DWAF	-	1 058 000	-	(1 058 000)	-	-	-	-
Total National Government Grants	4 966 870	66 465 000	(43 236 244)	(24 610 741)	(2 626 000)	958 885	958 885	-
<u>Provincial Government Grants</u>								
CDW's	147 818	-	(147 818)	-	-	-	-	-
Department of Sport and Culture	1 202 249	-	-	-	(1 202 249)	-	-	-
Library Services	13 984	6 489 000	(5 104 465)	(1 398 519)	-	-	-	-
Provincial FMG	8 012	990 000	(998 012)	-	-	-	-	-
Public Transport Infrastructure	-	46 000	(46 000)	-	-	-	-	-
Municipal Performance Management Grant	-	100 000	(100 000)	-	-	-	-	-
Municipal Capacity Building Grant	-	500 000	-	-	-	500 000	500 000	-
Municipal Infrastructure Support Grant	-	250 000	(7 828)	(242 172)	-	-	-	-
Total Provincial Government Grants	1 372 063	8 375 000	(6 404 123)	(1 640 691)	(1 202 249)	500 000	500 000	-
TOTAL GOVERNMENT GRANTS	6 338 933	74 840 000	(49 640 367)	(26 251 432)	(3 828 249)	1 458 883	1 458 883	-
TOTAL	6 338 933	74 840 000	(49 640 367)	(26 251 432)	(3 828 249)	1 458 883	1 458 883	-

**APPENDIX C(1)- Unaudited
MATZIKAMA MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

Description R thousand	2014/2015							2013/14
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Revenue - Standard								
<i>Governance and administration</i>	98 205	13 642	111 848	118 607	6 760	-	120.8%	93 951
Executive and council	274	101	375	12 037	11 663	106.0%	4399.6%	439
Budget and treasury office	87 698	12 966	100 665	102 697	2 033	102.0%	117.1%	91 529
Corporate services	10 234	575	10 808	3 872	(6 936)	35.8%	37.8%	1 983
<i>Community and public safety</i>	18 136	(7 398)	10 739	11 885	1 146	110.7%	65.5%	7 856
Community and social services	6 433	(561)	5 872	5 883	11	100.2%	91.4%	4 030
Sport and recreation	2 479	(35)	2 444	2 174	(270)	88.9%	87.7%	1 889
Public safety	1 481	610	2 091	3 545	1 455	169.6%	239.4%	1 696
Housing	7 743	(7 411)	332	284	(48)	85.4%	3.7%	241
Health	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	5 405	210	5 615	6 054	439	107.8%	112.0%	5 410
Planning and development	477	7	484	561	77	115.9%	117.6%	588
Road transport	4 928	203	5 131	5 493	362	107.1%	111.5%	4 822
Environmental protection	-	-	-	-	-	-	-	-
<i>Trading services</i>	129 874	2 106	131 980	134 432	2 452	101.9%	103.5%	120 374
Electricity	81 665	4 284	85 949	85 284	(666)	99.2%	104.4%	75 888
Water	14 576	(88)	14 488	17 988	3 500	124.2%	123.4%	14 335
Waste water management	17 899	(2 128)	15 772	15 796	25	100.2%	88.3%	17 262
Waste management	15 734	37	15 771	15 364	(407)	97.4%	97.7%	12 889
<i>Other</i>	-	-	-	-	-	-	-	-
Total Revenue - Standard	251 621	8 561	260 182	270 979	10 797	104.1%	107.7%	227 592
Expenditure - Standard								
<i>Governance and administration</i>	53 907	10 723	64 630	59 576	(5 054)	92.2%	110.5%	54 767
Executive and council	12 844	185	13 029	11 889	(1 140)	91.2%	92.6%	11 296
Budget and treasury office	26 586	7 232	33 818	32 037	(1 780)	94.7%	120.5%	29 752
Corporate services	14 478	3 306	17 783	15 649	(2 134)	88.0%	108.1%	13 720
<i>Community and public safety</i>	30 052	(5 530)	24 522	24 128	(393)	98.4%	80.3%	19 613
Community and social services	10 542	1 237	11 779	11 299	(480)	95.9%	107.2%	9 024
Sport and recreation	4 892	62	4 954	4 831	(124)	97.5%	98.7%	4 572
Public safety	6 411	692	7 103	7 483	380	105.4%	116.7%	5 398
Housing	8 207	(7 521)	685	516	(170)	75.2%	6.3%	618
Health	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	25 002	283	25 286	24 113	(1 172)	95.4%	96.4%	22 489
Planning and development	4 763	605	5 369	4 735	(634)	88.2%	99.4%	3 950
Road transport	20 239	(322)	19 917	19 379	(539)	97.3%	95.7%	18 539
Environmental protection	-	-	-	-	-	-	-	-
<i>Trading services</i>	116 569	2 131	118 700	117 021	(1 679)	98.6%	100.4%	105 489
Electricity	76 886	2 057	78 943	80 494	1 551	102.0%	104.7%	69 992
Water	14 576	1 520	16 096	15 936	(160)	99.0%	109.3%	14 097
Waste water management	10 481	(114)	10 367	9 606	(761)	92.7%	91.6%	10 546
Waste management	14 626	(1 332)	13 294	10 986	(2 308)	82.6%	75.1%	10 854
<i>Other</i>	1 227	(51)	1 176	1 166	(9)	99.2%	95.1%	1 116
Total Expenditure - Standard	226 757	7 556	234 313	226 005	(8 308)	96.5%	99.7%	203 474
Surplus/(Deficit) for the year	24 864	1 005	25 869	44 974	19 105	173.9%	180.9%	24 118

**APPENDIX C(2)- Unaudited
MATZIKAMA MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)**

Description	2014/15							2013/2014
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
Revenue by Vote								
EXECUTIVE AND COUNCIL	271	100	371	12 175	11 804	3281.6%	4492.5%	574
FINANCE	87 698	13 066	100 765	102 697	1 933	101.9%	117.1%	91 529
CORPORATE SERVICES	16 436	(99)	16 337	9 427	(6 910)	57.7%	57.4%	2 437
COMMUNITY SERVICES	29 444	(6 610)	22 834	24 234	1 400	106.1%	82.3%	11 659
TECHNICAL SERVICES	117 772	2 103	119 875	122 446	2 571	102.1%	104.0%	121 393
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total Revenue by Vote	251 621	8 561	260 182	270 979	10 797	104.1%	107.7%	227 592
Expenditure by Vote to be appropriated								
EXECUTIVE AND COUNCIL	16 216	745	16 961	15 245	(1 715)	89.9%	94.0%	14 157
FINANCE	26 636	7 262	33 898	32 037	(1 860)	94.5%	120.3%	29 752
CORPORATE SERVICES	20 915	4 480	25 395	23 153	(2 242)	91.2%	110.7%	15 924
COMMUNITY SERVICES	37 960	(7 906)	30 054	27 572	(2 482)	91.7%	72.6%	28 659
TECHNICAL SERVICES	125 031	2 975	128 006	127 997	(8)	100.0%	102.4%	114 982
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
Total Expenditure by Vote	226 757	7 556	234 313	226 005	(8 308)	96.5%	99.7%	203 474
Surplus/(Deficit) for the year	24 864	1 005	25 869	44 974	19 105	173.9%	180.9%	24 118

**APPENDIX C(3) - Unaudited
MATZIKAMA MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
REVENUE AND EXPENDITURE
(EXPENDITURE BY TYPE, AND REVENUE BY SOURCE)**

Description	2014/2015							2013/2014
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand								
Revenue By Source								
Property rates	31 210	2 861	34 071	32 574	(1 498)	-4.6%	-52.3%	28 858
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-
Service charges	118 499	7 524	126 023	128 031	2 008	1.6%	26.7%	109 407
Rental of facilities and equipment	4 008	102	4 110	3 342	(768)	-23.0%	-755.6%	2 626
Interest earned - external investments	190	310	500	939	439	46.8%	141.8%	231
Interest earned - outstanding debtors	1 974	0	1 974	2 396	422	17.6%	191967668.2%	2 075
Dividends received	-	-	-	-	-	-	-	-
Fines	1 528	617	2 145	3 566	1 421	39.9%	230.3%	1 711
Licenses and permits	1 681	1	1 682	1 125	(557)	-49.5%	-60542.7%	1 067
Agency services	2 000	200	2 200	2 417	217	9.0%	108.4%	2 074
Transfers recognised - operational	56 870	(6 543)	50 327	49 640	(686)	-1.4%	10.5%	45 000
Other revenue	2 309	481	2 790	20 698	17 908	86.5%	3721.9%	6 171
Gains on disposal of PPE	7 500	-	7 500	-	(7 500)	0.0%	0.0%	779
Total Revenue (excluding capital transfers and contributions)	227 768	5 552	233 320	244 727	11 407	4202.2%	205.4%	199 998
Expenditure By Type								
Employee related costs	81 980	1 150	83 130	81 364	(1 766)	-2.2%	-153.5%	74 334
Remuneration of councillors	5 756	0	5 756	5 642	(114)	-2.0%	0.0%	5 301
Debt impairment	6 000	6 660	12 660	10 764	(1 896)	-17.6%	-28.5%	8 994
Depreciation & asset impairment	13 072	(1 300)	11 772	11 336	(436)	-3.8%	33.5%	8 883
Finance charges	7 382	555	7 937	7 898	(39)	-0.5%	-7.1%	7 663
Bulk purchases	69 965	2 700	72 665	73 819	1 154	1.6%	42.7%	66 829
Other materials	-	-	-	-	-	-	-	-
Contracted services	110	-	110	5	(105)	-2309.6%	0.0%	70
Transfers and grants	937	-	937	928	(8)	-0.9%	0.0%	880
Other expenditure	41 556	(2 209)	39 347	34 033	(5 314)	-15.6%	240.5%	29 913
Loss on disposal of PPE	-	-	-	216	216	100.0%	0.0%	606
Total Expenditure	226 757	7 556	234 313	226 005	(8 308)	3101.1%	-110.0%	203 474
Surplus/(Deficit)	1 011	(2 003)	(993)	18 722	19 715	105.3%	-984.0%	(3 476)
Transfers recognised - capital	23 853	3 008	26 861	26 251	(610)	-2.3%	-20.3%	27 593
Contributions recognised - capital	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	24 864	1 005	25 869	44 974	19 105	42.5%	1901.6%	24 118

**APPENDIX C(4) - Unaudited
MATZIKAMA MUNICIPALITY**

**NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING**

Description R thousand	2014/2015							2013/2014
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
Capital expenditure - Vote					-	-	-	
Multi-year expenditure					-	-	-	
Executive & Council	100	100	200	-	(200)	-	-	-
Finance	-	-	-	-	-	-	-	-
Corporate	-	-	-	-	-	-	-	-
Community Services		4 790	4 790	4 189	(602)	87.4%	#DIV/0!	3 490
Technical		-	-	-	-	-	-	-
Capital multi-year expenditure	100	4 890	4 990	4 189	(802)	83.9%	4188.8%	3 490
Single-year expenditure								
Executive & Council	311	311	622	314	(308)	50.4%	100.9%	2 132
Finance	-	-	-	-	-	-	-	190
Corporate	160	160	320	151	(169)	47.3%	94.6%	521
Community Services	1 410	10 249	11 659	1 419	(10 240)	12.2%	100.6%	348
Technical	25 699	25 039	50 738	30 018	(20 720)	59.2%	116.8%	20 346
Capital single-year expenditure	27 580	35 759	63 339	31 902	(31 437)	50%	116%	23 537
Total Capital Expenditure - Vote	27 680	40 649	68 329	36 091	(32 239)	53%	130%	27 027
Capital Expenditure - Standard					-	-	-	
Governance and administration	571	571	1 142	465	(677)	40.7%	81.5%	2 843
Executive and council	411	411	822	314	(508)	38.2%	76.3%	2 132
Budget and treasury office	-	-	-	-	-	-	-	190
Corporate services	160	160	320	151	(169)	47.3%	94.6%	521
Community and public safety	1 351	6 730	8 080	5 608	(2 473)	69.4%	415.1%	3 235
Community and social services	1 130	1 698	2 828	1 419	(1 409)	50.2%	125.6%	129
Sport and recreation	221	5 031	5 252	4 189	(1 064)	79.8%	1895.6%	2 887
Public safety	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	220
Health	-	-	-	-	-	-	-	-
Economic and environmental services	9 706	8 576	18 283	7 557	(10 725)	41.3%	77.9%	9 226
Planning and development	-	-	-	-	-	-	-	-
Road transport	9 706	8 576	18 283	7 557	(10 725)	41.3%	77.9%	9 226
Environmental protection	-	-	-	-	-	-	-	-
Trading services	16 052	24 772	40 824	22 461	(18 363)	55.0%	139.9%	11 722
Electricity	2 072	2 108	4 180	1 507	(2 673)	36.0%	72.7%	1 793
Water	2 606	3 167	5 773	1 940	(3 833)	33.6%	74.4%	606
Waste water management	11 294	11 166	22 460	10 685	(11 775)	47.6%	94.6%	9 264
Waste management	80	8 331	8 411	8 329	(82)	99.0%	10411.4%	59
Other					-	-	-	-
Total Capital Expenditure - Standard	27 680	40 649	68 329	36 091	(32 239)	53%	130%	27 027
Funded by:					-	-	-	
National Government	23 043	25 243	48 286	24 031	(24 255)	49.8%	104.3%	23 276
Provincial Government	810	1 618	2 428	1 460	(968)	60.1%	180.3%	2 521
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-
Transfers recognised - capital	23 853	26 861	50 714	25 492	(25 223)	50%	107%	25 797
Public contributions & donations					-	-	-	-
Borrowing					-	-	-	-
Internally generated funds	3 827	13 788	17 615	10 599	(7 016)	60.2%	277.0%	1 230
Total Capital Funding	27 680	40 649	68 329	36 091	(32 239)	53%	130%	27 027

**APPENDIX C(5) - Unaudited
MATZIKAMA MUNICIPALITY
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015
CASH FLOWS**

Description R thousand	2014/2015							2013/2014
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts					-	-	-	
Ratepayers and other	154 260	158 329	312 589	160 142	(152 447)	51.2%	103.8%	140 599
Government - operating	56 785	50 327	107 112	44 760	(62 352)	41.8%	78.8%	49 840
Government - capital	23 853	26 861	50 714	26 251	(24 463)	51.8%	110.1%	27 593
Interest	190	500	690	3 336	2 646	483.4%	1755.6%	2 306
Dividends	-	-	-	-	-	-	-	-
Payments					-	-	-	
Suppliers and employees	(196 996)	(201 502)	(398 499)	(189 298)	209 201	47.5%	96.1%	(184 835)
Finance charges	(7 382)	(3 787)	(11 169)	(3 822)	7 347	34.2%	51.8%	(4 173)
Transfers and Grants	(937)	(937)	(1 873)	(928)	945	49.6%	99.1%	(880)
NET CASH FROM/(USED) OPERATING ACTIVITIES	29 774	29 791	59 565	40 441	(19 123)	67.9%	135.8%	30 449
CASH FLOWS FROM INVESTING ACTIVITIES					-	-	-	
Receipts					-	-	-	
Proceeds on disposal of PPE	7 500	7 500	15 000	-	-	-	-	2 301
Decrease (Increase) in non-current debtors	-	-	-	551	-	-	-	798
Decrease (increase) other non-current receivables	637	-	637	-	(637)	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
Payments					-	-	-	
Capital assets	(27 680)	(32 358)	(60 038)	(27 800)	32 239	46.3%	100.4%	(26 968)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(19 543)	(24 858)	(44 402)	(27 249)	17 153	61.4%	139.4%	(23 869)
CASH FLOWS FROM FINANCING ACTIVITIES					-	-	-	
Receipts					-	-	-	
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	185	185	371	869	499	234.6%	468.9%	265
Payments					-	-	-	
Repayment of borrowing	(8 389)	(6 013)	(14 403)	(6 028)	8 375	41.9%	71.8%	(6 465)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(8 204)	(5 828)	(14 032)	(5 158)	8 874	36.8%	62.9%	(6 200)
NET INCREASE/ (DECREASE) IN CASH HELD	2 026	(895)	1 131	8 034	6 903	710.3%	396.5%	380
Cash/cash equivalents at the year begin:	2 954	2 699	5 653	2 699	(2 954)	47.7%	91.4%	2 319
Cash/cash equivalents at the year end:	4 980	1 804	6 784	10 733	12 823	158.2%	215.5%	2 699